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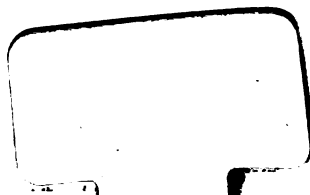
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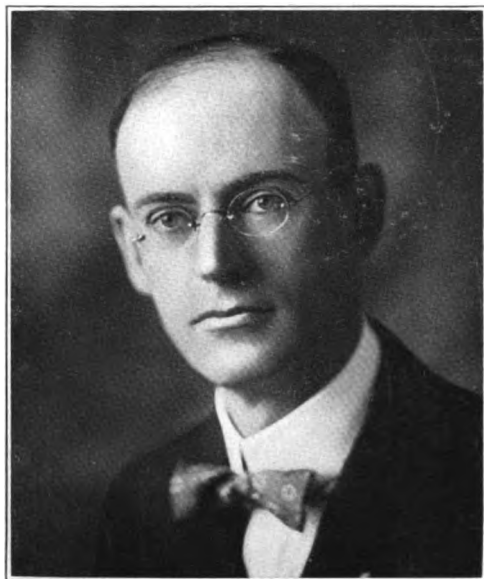
Convention Number of The North Dakota Banker

OFFICIAL JOURNAL OF THE NORTH DAKOTA BANKERS ASSOCIATION

Vol. VI

FARGO, N. D., AUGUST, 1918

No. 11



MR. J. L. BELL

Vice President First National Bank, Bismarck

President North Dakota Bankers Association

1918-19

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A true test of service comes in keeping deliveries and quality normal in abnormal times. In Bank Printing we are, as always, able to offer you

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The North Dakota Banker

PUBLISHED MONTHLY

Vol. VI

FARGO, NORTH DAKOTA, AUGUST, 1918

No. 11

NORTH DAKOTA BANKERS ASSOCIATION SIXTEENTH ANNUAL CONVENTION

MANDAN, JULY 11-12, 1918

The Sixteenth Annual Convention of the North Dakota Bankers' Association was called to order at 10:00 o'clock A. M., July 11th, 1918, President C. R. Green, presiding.

Singing of "America."

Invocation by Rev. Hugh H. Owen, First Presbyterian Church, Mandan.

Mr. Green—We will now listen to the address of welcome by Hon. W. H. Stutsman, on behalf of the Commercial Club and citizens of Mandan.

Members of the North Dakota Bankers' Association and Visitors generally:

It is my pleasant task to greet you this morning and welcome you to the City of Mandan during the time of your deliberations, both on behalf of the citizens of Mandan and of the Commercial Club of the city, which always takes an active interest in the doings of the city and the people who come here for conventions.

I desire at this time to extend to you the welcome of the day.

It is with a great deal of pride that I assume the duties of this task because we begin to feel in Mandan that we are finally in shape to welcome and entertain conventions and gatherings of this sort.

We have, as you see, our little theatre here, which is modern and new and adapted to meetings and gatherings of this kind and in this building we take a great deal of pride.

We have, as you know, a hotel recently constructed at an investment of a large sum of money for the entertainment of guests, visitors and the traveling public. We consider and feel that this hotel is the last work in an institution of this sort and that you cannot fail to be impressed with the manner in which the manager of this institution will entertain you and make you comfortable. All traveling men and all visitors are impressed mostly in the city by the hotel accommodations that they receive.

We also are proud of the institutions of our own in this city engaged in the banking business and you have visited them.

We have buildings and equipment of which any city our size may be proud and we have under construction a four-story bank building that will equal any we now have.

We have scenery and we have methods of entertaining you in which we take great pride.

We have in our city a spirit of great cordiality toward strangers and the disposition on the part of our inhabitants to make strangers welcome and extend the hospitality of our city in the largest and completest way.

Taking all of these things into consideration, the people of Mandan see no reason why in the future we should not become quite a little convention city and you gentlemen coming today for the first convention really that has been held in our city are in a position on going home to advertise us about the state in such a way that we feel sure other conventions will come here later on and Mandan may become noted and we hope it shall become noted as a real convention city.

I want to say also that the people of Mandan appreciate the importance of this meeting. We fully appreciate and recognize the work that is being done by the bankers of America and the bankers of the State of North Dakota. We realize and appreciate the work for good that is being done by the bankers, the sphere they are filling and the tremendous obligations and duties toward our Government that they are performing. We appreciate the fact that the Government of the United States today, being engaged in a most tremendous strife and struggle, is dependent upon the people of every state for unqualified and unstinted support and we appreciate the fact that the bankers of America and the bankers of North Dakota are most loyal citizens that the government has and upon whom the government calls for support. We appreciate the fact that the Government cannot conduct the war successfully without financial support and we appreciate the fact that the Government must call upon the bankers to furnish this support. We are proud of the way the bankers of North Dakota have responded to the call of their Government, how they have put over the Liberty Loan, how they have carried the certificates they have been asked to carry temporarily, how they have been the first and foremost in all endeavors to make this war a success, how they have striven in every way, not only in loaning the money and selling bonds but in gather-

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ing up contributions for the Red Cross the Y. M. C. A. work and other endeavors of that sort.

We feel proud of the bankers of North Dakota and the magnificent way in which they have responded, and especially are we happy today in welcoming you to our city. (Applause!)

President Green: We heartily appreciate Mr. Stutsman's cordial welcome and Past President Wesley C. McDowell of the First National Bank of Marion will now respond to his address.

Mr. McDowell: Mr. Chairman, Ladies and Gentlemen of the North Dakota Bankers' Association: That the members of this Association are more than pleased that they are permitted to meet in Mandan for their Annual Convention this year goes without saying and the response to the address of welcome can be made in a few words, and those are that we are mighty glad to be privileged to meet this year in this beautiful city that has made such rapid strides in development, located as it is in this newer section of our State. It is a good thing for the men who live in the older sections of our State to come out across the Missouri river to note your wonderful growth. We are realizing more and more as the years go by the wonderful resources of this section of North Dakota and your development has come as a matter of course. Out along this river have grown up cities to which all lines of business center; the location of wholesale houses handling different lines of commercial products and locating in these towns of specialized professional men who are fully competent to handle their respective lines. The splendid hotels and banking facilities, which are taking care of the needs of your people so splendidly: the development of your natural resources, especially your lignite coal; the growth of the dairy interests and the natural expanse of the livestock industry among your farmers, are but substantial evidences of the splendid spirit of your people and the wonderful resourcefulness of your section of the State. Your development will continue as the number of people in your various counties increase. This section of the State is fascinating to a man who comes from the older sections and the fact that you are located along this great Missouri river lends an additional attraction to your country and it will undoubtedly some day prove a big factor in the transporting of your products to market. You have that Western spirit among your people which is delightful to find, and that we shall enjoy the hospitality of the people of Mandan is a foregone conclusion.

Permit me to compliment you on the way that you took hold of the Third Liberty Loan in this section of the State. True, your allotments were not very high but you went over the top so magnificently that you surprised every man upon whom the responsibility of that loan rested and I am sure it must have been and is a great source of satisfaction to you to know that your people, while many of them lacking in ready money, were able and felt the spirit of taking hold of and doing their part in furthering the interests of this great Government at this time. On behalf of the State Committee for the Third Liberty Loan, I wish at this time to publicly express our appreciation for the magnificent manner that you have responded to the Government's call. The members of the North Dakota Bankers' Association are devoting their resources and putting their energy and time without stint in support of the Government. We want to do even more than we are asked to do. We believe in the cause that our country is fighting for: we believe that without reservation the people of North

Dakota are behind the President and the Congress of this country and we want those boys of ours, who are fighting so valiantly in France, to come back victorious, and to that end we can assure you that this Association stands loyally by American principles and we believe in putting forth every ounce of strength that we possess, physically and financially, so that victory may come to the arms of our Government as speedily as possible and the world may soon have a permanent peace. I thank you. (Applause.)

* * *

THE PRESIDENT'S ANNUAL ADDRESS.

(By President C. R. Green.)

Ladies and Gentlemen:

This past year, as you know is our first year in the war and we had a great many things to do and a great many things came up that had to be done that had never confronted us before, so in a way it has been a very peculiar year and, notwithstanding that, I am safe in saying it has been a good year for the banks of North Dakota and nothing has arisen but what we have been able to meet and dispose of in a reasonably satisfactory way.

The 1917-18 year of the North Dakota Bankers Association, which is now drawing to a close, has been in a great many ways a very eventful one. We have just well passed the first mile-stone in the preparation and progress of our first year in the World War, into which we were forced by the autocratic war lords of Germany.

To the bankers of North Dakota, as well as the bankers of the United States, financing the requirements of our Government was as much of an unknown problem as the prosecution of the war itself. When the Government called on the banks of the United States to finance the first war loan of two billion of dollars, we were pretty well swept off our feet. We had never been confronted with such a gigantic problem and, while a great many of us had been living in a world of hundreds of thousands we were forced to lay aside these small ideas and adjust ourselves to think and act in millions and billions. This change from the small amounts to the large amounts was very quickly brought about until today, just a little more than a year, we speak of billions as lightly as we did of millions before entering the war. When England first asked for a loan of five hundred millions of dollars, the bankers and financiers threw up their hands—a great many of them considered the floatation of such a loan out of the question and prophesied that if such an attempt was carried out that the financial system of the country would be paralyzed, but they were not any more astonished or alarmed than were the bankers of North Dakota when the Government requested a sale of a million and a half bonds in this State. The arranging and organizing for the floatation of this amount in North Dakota was approached by the committee in charge, with very grave doubts as to the ability of North Dakota to raise any such sum. I very clearly recall to mind the occasion on which we were conscripted to perform this duty. It was with serious doubt and misgivings that we undertook what was then considered an almost impossible task.

You bankers present here today will well remember how the most of you felt when you were asked to subscribe to a given amount to the first 3½ per cent bonds. Few could understand how it was possible, or why the Government should ask us to purchase 3½ per cent securities when money was then

YOUR MINNEAPOLIS REMITTANCE



Crates, boxes, barrels, bags,

—smelling pungently of fruit and produce of every kind, are piled in a great array at the Minneapolis Central Market and adjacent warehouses. Some of these packages are very probably filled with the product of your fields. — We are in close touch with the jobbers. Let us act as your medium if you have collections on these firms.

The Northwestern National Bank

Minneapolis, Minnesota

Resources, \$55,000,000

commanding a rate of from 8 to 10 per cent, but throughout all of these days of doubt and misgivings as to the outcome, we had overlooked or had not realized that there was one great asset in North Dakota that had not been touched, namely, the *patriotism* of the people.

Simultaneously with the demands of the Government for the sale of these First Liberty Bonds, came the call to the young manhood of our country for service in the Army and Navy of the United States. The response of the young men was an inspiration and did much to arouse interest in the cause and a great influence for good in molding public opinion to a realization of the necessity of the great undertaking of manning the Army and Navy and financing the Government.

Committees.

The standing committees appointed at the close of the last meeting to take up the questions of Immigration, Credit Forms, Farm Labor, Legislation, Burglary Insurance, Bank Education, Taxation, Membership, and Thrift, have all been quite active and have done good work. I wish, however, to make special mention at this time of the special achievements of some of these committees, among which is the Committee on Immigration, Credit Forms, Farm Labor, and Thrift.

The Committee on Immigration has held several meetings and have discussed ways and means of promoting immigration that will be helpful to the State at large. They have taken up the matter with the Government and the railroads and have succeeded

in getting all of these interested. They were instrumental in getting the immigration agent of the Northern Pacific Railway, and Mr. Connelly of Devils lake, who is a great immigration booster along same lines, to attend several of our group meetings. The addresses given were well received and I believe much good will come as the result of their presence at these meetings, provided this Association continues the good work that is now fairly well started. The report of the Committee will no doubt give you an account of their work in detail.

The Committee on Credit Forms, of which the late George C. Sherwood of Grand Forks was Chairman, had their work about completed before Mr. Sherwood's death, consequently there was no one appointed to fill the vacancy on this committee. The balance of the committee were requested to close up the work and report to this meeting.

In the matter of the Committee on Farm Labor, considerable work was planned and much good has resulted, and I believe much more good might have been accomplished had it not been for some opposition to our activities by the Council of Defense, who it seems felt as though they and not our Association should control and manage this labor situation. They not only felt this way about the labor situation, but went as far as to say that they anticipated the absorption of the North Dakota Bankers Association into the Council. So far as the officers of the Association are informed, this latter proposition has not yet been carried out.

The Committee on Thrift has done good work along the line of savings, education, with savings accounts, War, Thrift and savings Stamp methods.

I am of the opinion that all of the Committees named by our Association a year ago are valuable parts of the Association itself and should be continued, and possibly some others added to them.

Conventions.

It was my pleasure in September, to attend the American Bankers Association meeting at Atlantic City. It was a great convention and will go down in history as such.

Great men from different walks in life addressed us on live topics of the day. It was an inspiration to listen to these big, honest, patriotic men. I feel sure that the five thousand people who heard them went away feeling fully repaid for their attendance, and inspired for greater action. A full report of this convention has been printed and placed in your hands, so I will not go into any detail.

In February I attended the Convention of Presidents and Secretaries of Associations of the Central States, held at Chicago. A very interesting meeting indeed, and one where subjects of importance were discussed in an informal manner. Good ideas develop at those small conventions, which are carried back to the home Association and those that are applicable to local conditions are woven into the webs of State Associations.

Guaranty Law.

The law guaranteeing deposits in State Banks, passed by the last legislature, had not been placed in operation at the time of writing this report. I am informed, however, that the law will be placed in operation on July 1st. As to the good effect of this law on the banks of North Dakota, I am somewhat in doubt. It will take time to fully demonstrate the wisdom of its passage. I am inclined to believe that the greater part of the conversion of State Banks to National Banks, in the past year, has been for the purpose of getting out from under this law. However, let us not pass judgment on this question at this time, but await a practical demonstration.

Seed Grain.

Owing to the partial, and in some places complete failure of the grain crop of North Dakota last year, the Government undertook, through the Seed Stocks Commission, to provide seed for this crop-failure district. This Seed Stocks Commission invited the officers of the North Dakota Bankers Association to co-operate with them in the providing of seeds and feeds for the districts affected.

We were asked to finance the sale of the bonds necessary to procure this seed. A referendum letter was sent out to all bankers in this State, asking what amount of seed bonds they could subscribe. The replies from this referendum, as is usually the case in any referendum, were not very general. However, enough subscriptions were received to assure us that the greater part of the money required for this seed could be obtained from the banks in this State. We were further assured by the bankers of the larger cities that after North Dakota had taken to the extent of her ability, the balance would be handled through the city banks. However, we were not called on to raise this money, as you know a special session of the legislature was called, the law amended and bonds sold in large blocks to outside investors entirely.

Deposit of State Funds.

Late in January we were advised that the State Board of Audit had neglected to designate any National banks in the State of North Dakota as a depository of State funds, excepting the First National Bank of Bismarck and the First National Bank of Fargo. Complaints begun to come in from the National banks, coupled with a request that we take up the matter with the State Board of Audit and endeavor to have them reconsider their action and re-designate all the banks the same as had always been done in the past. We at once took this matter up with the proper authorities at Bismarck, but got very little satisfaction; in fact, it was very unsatisfactory. Arrangements were finally made for a personal interview with the Board, but this meeting brought no results favorable to the banks. The question of carrying the matter to the courts was referred by a referendum letter to the National banks and some 60 per cent of the replies of the banks were in favor of enforcing their rights in court. A small per centage were indifferent, claiming that the business was not profitable anyway; the balance silent. After receiving replies to these referendum letters, the officers consulted with the attorneys of the Association. Their opinion was to the effect that we could probably force the Board to rescind their former action and compel them to readvertise and redesignate, but as the depositing of the funds would still be controlled by the Board, the chances were that the bankers would receive little or no consideration in the way of deposits.

Membership.

One of the things that your officers tried to do this year was to procure a 100 per cent membership; but, I am sorry to report, that this anticipation has not been realized, some twenty banks still failing or refusing to pay their dues. I am pleased to say, however, that this is the smallest percentage of non-member banks that we have ever had, so we feel that our efforts have increased our membership and have not been entirely in vain.

Group Meetings.

Meetings of all the groups in North Dakota were held this year in May, excepting the meeting of the group which was held in the City of Mandan on July 10th. Many of these meetings were very well attended and good interest shown. The attendance at some of these meetings was cut down on account of wet weather and bad roads. Subjects of much interest and of much importance were discussed and strong resolutions adopted. I believe these group meetings are doing good work and the bankers should take more interest in them in the future than they have in the past. They, in my opinion, stand in about the same relative position with the State Association as does the High School to the State University. I believe all of you agree with me that the universities and colleges would be greatly hampered, and their field of labor curtailed, were it not for the high schools who largely supply the student body prepared to take up the higher studies.

War Activities.

During the past year the bankers of North Dakota have been very active in assisting the Government in the prosecuting of the war. Heavy demands and

The FIRST NATIONAL BANK of ST. PAUL

welcomes and appreciates accounts of banks and bankers. Over fifty years of consistent, considerate service is splendid endorsement of the satisfactory relations maintained with correspondents.



LOUIS W. HILL, Chairman Board of Directors
EVERETT H. BAILEY, Chairman of Executive Committee
CYRUS P. BROWN, President

OTTO M. NELSON, Vice President
MARK SKINNER, Vice President
CHARLES H. BUCKLEY, Cashier

EDWIN MOTT, Asst. Cashier
HENRY B. HOUSE, Asst. Cashier
CHARLES E. GALL, Asst. Cashier

GEORGE W. WICHMAN, Asst. Cashier
MARTIN R. BROWN, Assistant to Chairman of Board
I. E. HANSEN, Representative for North Dakota, Fargo, N. D.

great burdens have been placed upon them. While the demands were great and the burdens heavy, they have performed every duty imposed upon them and performed them well. I know that we are regarded highly by the Ninth Federal Reserve Board, under whose direction we have carried on this work, and I feel sure that our work has been as satisfactory to our officials in Washington as that of any State in the Union.

Meetings of the Executive Council.

Several meetings of the Executive Council were held this past year to discuss and act on matters of importance that came up from time to time. These meetings were all well attended and much was accomplished in the interest of all the banks of North Dakota. Some little difficulty arises in dealing with questions that came up from time to time, which affect only State Banks or National Banks. The Council, being composed of both National and State bankers, are not always in a position to deal with these affairs in a satisfactory manner. Recommendations to overcome this trouble will be presented to you in another part of this report.

Recommendations.

I submit to this Convention, the advisability of adopting the following recommendations:

1. That a definite system electing or selecting nine names to present to the Governor, from which he shall select his appointees on the State Guaranty of Deposit Board.

The present system for doing this by an informal vote by the entire membership is not satisfactory.

2. That an Executive Council, consisting of three or more members, be elected by the National banks to act on all matters effecting National banks only, and that a similar Executive Council be selected to handle all matters that affect State banks only, neither of these Executive Councils to displace the present Executive Council, but to be independent of it.

3. Owing to the heavy increase of work in the office of the Association, largely of a clerical nature, I recommend for your consideration the advisability of furnishing more help in order that the Secretary may have more time at his disposal, to deal with affairs of an executive character. I am also of the opinion that office room with fire-proof vault accommodation should be secured, in order that records of the Association, which are becoming more valuable each year, be securely housed. I believe that the increase in business which can be secured through this move, would easily pay for the additional expense incurred.

Conclusion.

I wish to thank the Association for the honor that they have conferred upon me, and I ask that the membership be as considerate as possible in their criticisms in the management of the office under my administration; undoubtedly, mistakes have been made, but they have been mistakes of the head and not of the heart.

In completing my term of office as your President,

and passing over the business to my worthy successor, I know it is passing into more competent hands and that the future will clearly demonstrate to you the truth of this statement. In laying down this work I can say, however, I am glad that I have had an opportunity to serve you. The work has been most interesting and the Associations formed very pleasant indeed and long to be remembered.

The past year has brought with it many questions of a complex nature, as well as some vexatious problems. Still, it has been a pleasure for me to try to work them out, as I have received loyal support at all times from the members of the Association, wise and conservative counsel from the officers as well as the Executive Council.

Again thanking you for your many kind considerations, I submit the foregoing as my annual report. (Applause!)

* * *

President Green: The annual reports of the Secretary and Treasurer have been printed and distributed to you, so that they will not be read at this time. They will be incorporated in the printed proceedings of the Convention.

REPORT OF SECRETARY.

To The Executive Council and Members of The North Dakota Bankers Association,

Gentlemen:—

I again have the honor and pleasure of submitting the annual report covering the work of your Association. This report covers the activities of the Association for the period from June 1, 1917, to June 15, 1918.

As you will see by the report, the year has been the most active in the history of the Association.

Membership.

There are now 701 State Banks, 164 National Banks and 4 Trust Companies in our State, and all of these are members of our Association except 28, making the membership in the Association at this time 841—the largest in our history.

The above figures show a gain of only three banks in the Association during the past year, with a gain in membership in the Association of 32, which is one gratifying result of the year's work.

A complete list of members of the Association will be printed as usual, in the Convention Number of The North Dakota Banker, also a list of non-member banks, which it is hoped will remind some non-members of their neglect in attending to the very important duty of paying the annual dues.

With the work being done by the Association at this time it is quite easy to figure out the value of membership in dollars and cents, to say nothing of the great mutual benefit derived by uniting in the valuable service an organization of this character can give not only to the financial institutions but to the entire State.

It is sincerely hoped another year may see a unanimous membership, which has been the goal officers of the Association have for many years hoped to reach.

Banking Education.

Your attention has been called for two years to the Correspondence Courses available through the Association for bank employees, covering "Banks and Banking," "Loans and Investments," "Commercial Law" and "Negotiable Instruments."

A splendid beginning was made in interesting members in this branch of the work of the Association and 160 bank employees were enrolled in last year's class, but the war has taken so many of our young men that it has been possible to organize only a small class in this work this year.

The text books used are those prepared by the American Institute of Banking, and the correspondence end of the work is done through the Extension Division of the State University at Grand Forks. Dr. Janes of the University is directly in charge of this work and the following letter from him will be of interest in this connection.

June 17, 1918.

*Mr. W. C. Macfadden, Sec'y
North Dakota Bankers Assn.,
Fargo, N. D.*

My Dear Mr Macfadden:—

The course in Money and Banking began last January with an enrollment of twenty-two students, to whom assignments for study were mailed. Out of these twenty-two, fifteen have gone on with this work and will probably complete the course. As the course began rather late further time will be granted and all are urged to finish.

The aim of the course may be brought out by this citation from the introductory assignment: Students should try to get at the reason of things in their study in this course. Why? What is the reason? Facts are of value and quite necessary to know, but a grasp of principles enables the student to really understand facts.

The two texts on "Banks and Banking" and "Loans and Investments" have been used and, in addition, the attention of the students has been called from time to time to other authoritative and interesting books on the subject. The idea being that the course is not an end in itself, but a vantage ground on point of departure for more reading and study. Sound banking is based on sound banking principles. Paragraphs in regard to the nature of credit, the relation between loans and deposits, the new Discount Bank of New York, and American banks and the foreign field have also been added.

It may be of interest to state that one student is completing the course from Washington, D. C., where he is in Government service, and another from a training station from which he expects soon to go "over there."

Since writing the above, one of the men has written me in regard to the course in these words:

"It has been hard work in that I was kept pretty busy with my work here. However, I realized its value and therefore could not discontinue it. I have had six years of National and State banking experience, and six months as assistant auditor for a chain of banks, but found many new methods and ideas in the course and feel it has added considerable to my knowledge of business. I think it is absolutely necessary to anyone in the business field of today."

Sincerely yours,

GEORGE M. JANES.

Bank Burglaries and Burglary Insurance.

Since your last Convention there have been two successful bank robberies in the State and one unsuccessful attempt with one sneak-thief robbery, as follows:

On October 22, an unsuccessful attempt was made

A Letter of Introduction from the bank at home will ensure to the new settler a friend and adviser when he arrives in Canada

This Bank has 134 branches in the Western Prairie Provinces. Farmers about to settle in Western Canada will find our Managers well qualified as farmer bankers.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up, \$15,000,000

Reserve Fund, \$13,500,000

Total Assets, Nov. 30, 1917, \$344,375,232

HEAD OFFICE, TORONTO

ESTABLISHED 1867

to blow open the safe of the State Bank of Zap, with a loss of \$180.94 in damage to the safe and premises, and a small amount of money which was not in the money-chest.

The Farmers State Bank of Hamburg was robbed November 21, with a loss of \$3,612.37 in currency and damage to the safe and premises.

On March 27, 1918, Henry Biersdorf, assistant cashier of the Merchants' Bank of Napoleon, was found dead in the Directors' room of the bank and \$636.60 in currency was missing from the cash drawer. Cash and securities in the vault were unmolested, indicating that a sneak-thief had taken what money could be taken easily and quickly after Biersdorf's death. An investigation in this case has resulted in the arrest of a party believed to be implicated in the crime and further developments are awaited.

The safe of the First State Bank of Colfax was successfully blown on the morning of May 2, and \$799.20 in currency obtained besides damage to the safe and premises amounting to approximately \$500.

All of the above losses were insured in our Association Company, and a part of each risk re-insured with other companies, making the net loss to our Company very light.

Our Association Burglary Insurance Company has continued to grow in a very satisfactory manner. Since the organization of the Company \$35,913.97 has been collected in premiums with net losses of \$5,030.68; \$10,735.00 has been paid out for re-insurance for and expenses \$3,913.75, leaving about 45% of the premium receipts of the Company as net profits, which is not a bad record for four years.

Many members have so far neglected to take advantage of the burglary insurance department of the Association, but the volume of business is steadily increasing and as members become familiar with what the Company is doing they are transferring their insurance to the Association Company.

Precaution is again urged during the summer and fall months to prevent "day-light hold-ups." An electric alarm system can now be purchased at a very reasonable cost that will give the necessary protection against "hold-ups" and night attacks and the saving in the cost of insurance helps to make this a good investment.

Co-operation with town and village authorities is again urged in the matter of keeping night-watchmen on duty during the fall months when the country is full of transients.

Group Meetings.

The 1918 Group Meetings were held as follows:

Third Dist. Group—Hope, May 21;
Second Dist. Group—Devils Lake, May 22;
N. E. Dist. Group—Grand Forks, May 23;
Fourth Dist. Group—Wahpeton, May 24;
Fifth Dist. Group—Harvey, May 29;
N. W. Dist. Group—Kenmare, May 31.

Owing to heavy rains the meetings held the week of May 21st were not well attended, but with more favorable weather the meetings at Harvey and Kenmare were well attended. Shortness of help in almost all banks, however, added to unfavorable weather, interfered very materially with the success of the 1918 meetings.

Your attention is again called to the importance of county organizations of bankers. The value of these organizations has been so thoroughly demonstrated in the Liberty Loan, Red Cross and other campaigns that it hardly seems necessary to urge organizations of this kind in all counties not now organized. The valuable service which it has been possible for the banks of the country to render during the war has been very largely due to the splendid organizations which have been built up during recent years.

There never was a time in the history of our country when unity of purpose and co-operation in endeavor was needed as it is at this time.

Group Insurance.

Your attention is again called to the plan for insurance by groups of bank employees which was established through a contract with the Northwestern National Life Insurance Company of Minneapolis, in our Association last year.

Under this plan insurance can be written on the lives of all employees of any bank, a member of the Association, at a very low cost. Many member banks have taken advantage of this arrangement but there is room for many more to become familiar with the plan and adopt it for the benefit of employees.

Immigration.

The crying need in North Dakota is more people and more capital.

Just as capital may be driven out of the State by bad legislation so has immigration been seriously affected by the reprehensible manner in which new settlers have been handled by many land-selling companies. A new settler cannot become an enthusiastic "booster" for North Dakota when he finds after he has purchased property that he has paid an exorbitant price for his land and that all his cash capital has gone into the commissions paid the real estate dealer.

This subject of immigration was quite thoroughly discussed at the Group Meetings this year and will be further discussed at this Convention. It is hoped some solution of the problems involved may be reached and a healthy movement of enthusiastic and satisfied settlers to the State be inaugurated.

Protective Department.

It is again necessary to apologize for the unsatisfactory service rendered in this Department by the Association. Some very satisfactory work has been done during the year but a lack of funds and of office force makes it impossible to handle this branch of the work thoroughly.

Members are asked to report all frauds and fraudulent transactions promptly, using the telephone and telegraph so that we may continue to give the best service possible.

Members in many cases do not report fraudulent checks, forgeries, etc., for several days or weeks, which adds greatly to the difficulty of apprehending the criminal.

Time Lock Inspection.

Our Time Lock Expert, Mr. William J. Hey, continues to give members excellent service in this department and is now devoting all of his time to the

Association work. Just why all members of the Association do not give him the care of their time locks is difficult to understand. The advantage of having our own expert who can always be reached easily and promptly cannot be compared with the necessity of depending on the services of workmen coming from other localities who cannot be reached except at great expense and annoying delays.

Why not give all of this work to our own expert?

The North Dakota Banker.

An advertiser recently wanted to know who The North Dakota Banker goes to. He was told the magazine goes to all members of the Association and to some banks and individuals out of the State, who are not members. He might have been told that it kept the office force busy at times to keep it from going to his Satanic Majesty.

There is a lot of work involved in getting out the publication and we hope members find it valuable and useful. Just now nearly 100 bank boys in military service are getting the magazine regularly and from the splendid letters which come to the Association office we feel that its regular appearance in the mail of our Banker-Soldiers is appreciated and that they thoroughly enjoy getting this monthly installment of bank news from home. In every letter received from the boys in the service we are asked to urge their friends and acquaintances to write to them, to send them home papers, etc. Members should keep this in mind.

The North Dakota Banker has always paid its own way through the advertising space sold and a fund of \$1,500 has accumulated for the Association, from this source. \$500. of this has been invested in a Liberty Loan Bond. Since the United States has been in the war all profits from the publication have been donated monthly to the Red Cross except \$50 given to the French Orphans Fund. The amount donated to the Red Cross so far is \$130.00.

Miscellaneous.

An unusually large number of bulletins have been sent out to members during the past year, covering a wide range of subjects, all of which it is hoped have been of value. The Association office has been able to be useful in many ways during the year. We have called your attention to various blanks and forms to be used, which have been adopted quite generally.

You were asked to co-operate in urging the use of Farm Account Books, and with your assistance over 46,000 of these books were put out. In addition to the necessity of keeping a record of income and disbursements from which to make the Income Tax Statement now required, the general adoption of a systematic record of earnings and expenses is valuable to farmers in pointing out the money-making and the money-losing branches of the business.

You have been urged in a recent bulletin to adopt a uniform system of credit forms. The value of this will grow as you develop the system and in your dealings with the Federal Reserve Bank and your correspondents you will soon realize its usefulness. The organization of a co-operative credit association for the benefit of member banks and their customers may eventually follow. Special laws have been enacted in some states governing such associations and the development of co-operative rural credit associations has been found to be of great value in these states.



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409 ROOMS

275 ROOMS AT \$1.50 TO \$2.50 PER DAY.

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Audit.

Walter Thomson, certified accountant, audited the books and vouchers of the Association office June 15th, and his report is attached hereto. Receipts and disbursements from June 1, 1917, to June 15, 1918, were as follows:

Receipts.

Membership dues collected.....	\$ 8,227.50
Wm. J. Hey, commission on time locks cleaned.....	300.00
From North Dakota Banker.....	841.00
Rent of desk room, Wales Adder Machine Co.	120.00
N. D. Bankers Mutual Casualty Company (office services)	600.00
Commission Account.....	286.40
Soldier Relief Fund.....	204.00
Interest on C. D's.....	51.70
Total	\$10,630.60

Disbursements.

A. B. A. dues.....	\$ 10.00
Walter Thomson, certified accountant.....	10.00
N. D. Seed Grain Commission.....	15.00
Chamber of Commerce of U. S.....	30.00
Service Flag.....	12.60
Christmas Boxes for Bank Boys in Military Service.....	113.22
To N. D. Banker, for Subscription	841.00
Central Conference dues.....	5.00
Lights	10.66

Insurance, (office furniture).....	18.12
Flowers for sick members	24.70
Protective Department, A. B. A.....	373.00
Convention Expenses	573.66
Postage, stamped envelopes, telephone and telegraph	814.25
Printing and office supplies.....	810.94
Addressograph	71.07
Typewriters	112.58
Office Table	26.00
Office salaries, attorney and office help.....	5,314.30
Office rent.....	412.50
Traveling expenses and expense of committee meetings	1,267.61
Total	\$10,866.21

In conclusion I want to call especial attention to the valuable and enthusiastic co-operation in the work of the Association which has been given during the year by the various committees. Many members of important committees have given valuable time at great inconvenience to the duties assigned to them and are deserving of the hearty appreciation of members of the Association for their services.

Never in the history of the organization has there been as many valuable committee meetings and as much interest shown in the Association by members of committees and individual members of the Association as during the past year.

I also want to call your attention to the valuable services rendered and interest taken in the Association, its growth and success, by President Green, who has been called upon during the year to con-

tribute a considerable amount of valuable time and service and whose advice and counsel has been of invaluable assistance, in making the successful record for the year which we have made.

All of which is respectfully submitted.

W. C. MACFADDEN,

Fargo, N. D., June 15, 1918. Secretary.

REPORT OF TREASURER.

June 1, 1917, to June 15, 1918.

General Fund—Receipts.

Balance on hand July 1, 1917.....	\$3,002.42
Rec'd from Secretary for dues collected....	8,227.50
Rec'd from Secretary, acct. North Dakota Banker.....	841.00
Rec'd from Secretary, acct. rent of desk room.....	120.00
Rec'd from Secretary, acct. commission....	286.40
Rec'd from Secretary, acct. Soldiers Relief Fund.....	204.00
Rec'd from Secretary, acct. N. D. Bankers Mutual Casualty Co.....	600.00
Rec'd for interest on C. D's.....	51.70
	\$13,333.02

Disbursements.

Orders paid July, 1917.....	\$1,144.46
Orders paid August, 1917.....	796.18
Orders paid September, 1917.....	1,398.64
Orders paid October, 1917.....	546.96
Orders paid November, 1917.....	1,123.42
Orders paid December, 1917.....	763.63
Orders paid January, 1918.....	805.06
Orders paid February, 1918.....	574.42
Orders paid March, 1918.....	969.69
Orders paid April, 1918.....	628.73
Orders paid May, 1918.....	906.54
Orders paid June, 1918.....	468.50
Bal. on hand June 15, 1918.....	3,206.79
	\$13,333.02

Time Lock Fund.

Bal. on hand June 1, 1918.....	\$ 830.00
Rec'd from Wm. J. Hey, Time Lock Ex- pert.....	300.00

Bal. on hand June 15, 1918..... **\$1,130.00**

Respectfully submitted,

W. F. HANKS, Treasurer.

Powers Lake, N. D., June 25, 1918.

To the President and Members of the
North Dakota Bankers Association:

In accordance with the instructions of your Secretary, I have made an audit of the books, accounts and vouchers of the Secretary of the North Dakota Bankers Association for the period ending June 1, 1917, to June 15, 1918, and herewith submit my report on the same.

I find the receipts of the office for the year, as follows:

Rec'd from Secretary for dues collected....	\$8,227.50
Rec'd from Secretary, acct. North Dakota Banker.....	841.00
Rec'd from Secretary, acct. of rent of desk room.....	120.00
Rec'd from Secretary, acct. commissions....	286.40

Rec'd from Secretary, acct. Soldiers Relief Fund.....	204.00
Rec'd from Secretary, acct. N. D. Bankers Mutual Casualty Co.....	600.00
Rec'd for interest on C. D's.....	51.70
	\$10,330.60

And that the disbursements, as shown by vouchers drawn on the Treasurer, countersigned by the President or Vice President, amounted to \$10,126.23.

All of which is respectfully submitted.

WALTER THOMSON,

Certified Public Accountant.

Fargo, N. D., June 27, 1918.

President Green: I will now announce the Committee on Resolutions, as follows: W. C. McDowell, A. P. Hanson, J. R. Carley. We will now adjourn until two o'clock. Adjourned.

HOME! Kulturized



Afternoon, July 11, 1918.

Meeting called to order, President Green in the chair.

Mr. Green: The program for the afternoon has necessarily been somewhat changed from the program as printed. You will notice that there is an address this afternoon by Mr. Jerome Thralls of New York City on "Trade Acceptances." Mr. Thralls is not here and will not be here until tonight so we are going to make a little change and fill in with some other work this afternoon.

We are extremely fortunate in having with us today one of the foremost bankers of the Northwest, and he will talk to you for a while this afternoon on a question that I know is very interesting to you. I take much pleasure in introducing to you at this time Mr. Joseph Chapman, of the Northwestern National Bank of Minneapolis.

Mr. Joseph Chapman:

Mr. Chairman, and Ladies and Gentlemen: It certainly is a great pleasure to be invited to come back to North Dakota and address you after having had you listen to one of my addresses last year. I hardly understand why it is necessary to do this—to inflict this upon you, and I so stated to your

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J. DANIEL MAHONEY, Asst. Cashier

officials, but they insisted that I was drafted to come to North Dakota and give you a talk this afternoon on "Loyalty."

It is not necessary for anyone to come back to North Dakota to talk on loyalty, any more necessary to do that than it was for the Captain of the Irish company who were going into action, and he had them lined up and he said: "Men, we are going to meet the enemy and we are going into action, and before we do there is one question I am going to ask you: Will yez fight or will yez run?" And to a man they said: "We will." He said: "You will what?" And they said: "We will not." He said, "There, be jabbers, I knew ye wouldn't."

That is just the kind of people we are. We know what we are going to do and it isn't necessary for anyone to talk to an audience like this or to the great commonwealth of North Dakota on the question of loyalty. The mere fact that the United States is at war and the young men of this country have been leaving from day to day to take their places in training and in the actual battle line, without excitement, without any riots, without any disturbance of any kind, shows absolutely that the people of this country and the people of this state and of every state in the Union are absolutely with the Government in this war, so that it isn't necessary to talk on the mere question of loyalty in a broad sense. There are only one or two phases of this subject which occur to me as being pertinent to you people in North Dakota as well as to the people of Minnesota and other states, and to which I am going to call your attention for just a few moments.

Things have been moving along since we met last year in the convention. Some things have not gone the way we people in this room would like to see them go. Some things have gone all right; and it is necessary at this time to stop and take stock and see where we are, and see whether we as individual citizens are actually loyal in spirit, loyal in action as well as loyal in spirit. I refer particularly at this time to a question that is a very prominent one in the State of North Dakota. There never has been a question in my mind that the farmers of North Dakota or the farmers of Minnesota were not loyal absolutely. There is no question of that because their boys are going to the war; they are buying the bonds; they are supporting the Government; but there are a few things in connection with what the leaders of this association in North Dakota and Minnesota are talking to the farmers that I think deserve the very serious consideration of such men as are here in this room today. I wonder if you are familiar with the book which is just recently off the press, published by a man named Teigan, who was an organizer of the Non-Partisan League. I wonder if you know how he shows very clearly what the men of the Nonpartisan League who are leaders are, which is very carefully concealed from the farmers of both Minnesota and North Dakota. I wonder if you believe what Chief Justice Bruce of your state said was true. In a meeting in Minneapolis last winter I heard him use this sentence: That the only political economy that the people of the United States are studying, the only instruction they are getting in political economy comes from three sources: the I. W. W., the Socialists, and the



MR JOSEPH CHAPMAN

Nonpartisan League. That is absolutely the only education from public speakers that our people have been getting in this last few years, and it is of your responsibility and my responsibility on this question of loyalty to our Government in a broader sense that I am going to speak this afternoon.

It stands to reason that you cannot discuss a question intelligently with your customers unless you understand it, and do we understand what this movement is and what the end of it is going to be, carried to its logical conclusion? If we do not understand it, we should commence to get that information to our customers and the farmers. I never believed that any man got anywhere by standing up and damning the people. I believe that what we have to do today is to understand this question and after we have understood it then, in a reasonable calm manner, sit down with these people and talk it over with them. Let Mr. Townley lose his temper and call the farmers names, but don't let the business men do it. (Applause.)

I spent most of my time for eight years in studying this question of the farmer, and you know, gentlemen,—I have been on your program a number of times and we have talked this matter over—that we have accomplished some results, and I would a great deal rather have the small part that I have had in reconstructing the common school of system in the States of Minnesota, North Dakota, South Dakota, Wisconsin, and these other adjoining states—I would rather, a great deal rather have had my part, however small, in getting this accomplished in the various states, showing the farmer how he can improve his own conditions, how he can improve his home conditions so as to make it more comfortable for his wife to stay on that farm—

rather have been engaged in that kind of constructive work—I would a great deal rather, when the time of judgment comes, take my stand on that basis than the stand of the people who are teaching hate and dissension among the people of the United States. (Applause.)

I don't think that any party or any organization gains anything by impugning other people's reasons and motives, and I think you, gentlemen, as well as myself, have been held up to ridicule and scorn by these leaders, showing that our efforts have been absolutely along selfish lines, and that they are the real Moses, and they only charge \$16.00 apiece for being the Moses, we never having received a cent. Some time that is going to trickle in and some day the farmer is going to understand who his real friend is, whether it is the man who helps him in a constructive way or whether it is the man who helps him in a destructive way—so-called help.

I want to call your attention to one of the things in this book. This book has been written by a man who was a Nonpartisan League organizer and who knows what he is talking about. He speaks about the aims of this association, but with a desire and purpose to be fair and more than fair with the managers of the League. This book concedes to Mr. Townley and his leaders, sincerity of purpose. And let us concede to them sincerely of purpose and see if we can't meet their arguments. If we cannot we might as well quit; if there is no reason for the faith in us let us quit now, but if Mr. Townley and his friends are wrong we must be the kind of people to show the rest of the people where he is wrong. Of all earthly blessings the right of the people to rule themselves and enjoy the fruits of their own efforts is the most precious. With the world in flames and liberty at stake it is no time to propose economic changes that must divide our people into hostile camps. I have gone over this book carefully. The purpose of this little book is to show that Mr. Townley and the principal men associated with him are simon pure socialists, and the end and purpose of the Nonpartisan League is socialism.

It shows also very clearly that the organizers are very particular and careful not to explain that portion of the Nonpartisan League's program to the farmer, and that portion of it must be explained by the business men of this state and of other states. It says that the Nonpartisan League is a socialist organization. It was conceived by socialists, planned by socialists and officered by socialists, built by socialist organizers and its editors, writers and public speakers are, and from the beginning have been, socialists. It was organized for the purpose expressly of spreading caste ideas.

The question is, what are socialistic ideas, and how does it affect the farmer? What does the socialist party stand for, of which Mr. Townley is a member. Well, now, in the first place, it stands for one thing that any farmer who joins the organization does exactly what this writer of this book says: He adjusts the noose around his own neck and springs the trap with his foot, because the purpose of the socialist party, which he states and the national platform of 1908 states. This is the clause from their platform: "The collective ownership of railroads, telegraphs, telephones, steamship lines, and the other means of transportation and communication, and all the land." Now the farmer is the largest owner of land in the world. When the complete program is finally sprung upon the farmer and Mr. Townley gets into authority, the land is not



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going to be omitted, but the farmers are going to be asked to divide the land they have with those who have not. Now, does Mr. Townley explain that? No, he doesn't explain that. He says in this book that the farmers are not ready yet. They are not sufficiently advised yet. They have not enough intelligence yet to grasp that idea, that they must for the good of all divide up their land with those who have not—but that is the program, gentlemen. How any farmer who knows that is the plan will belong to such an organization is more than I know, and yet Chief Justice Bruce said that no one is teaching political economy in North Dakota except the Nonpartisan League.

One of their organizers addressed the farmers at a meeting and immediately after he got through a speaker got up on the platform. He said "Do you see this farm immediately adjoining the town with a hundred and sixty acres of land? A man named Olson thinks he owns that farm but he doesn't own it. When we get into power we will divide all this among all the people." And yet the farmers didn't seem to fall for it; they didn't seem to realize what it was that this socialist was talking about. It didn't seem to get to them that the Nonpartisan League organizers came to Minneapolis and speak on the same platform with our socialist mayor who believes apparently in the socialist platform which is in effect that the United States has no business in this war. They speak on the same platform and say their aims are identical. The farmer doesn't understand that. He doesn't understand that the disgruntled workman in the large cities of this country the ne'er do wells the people who have

never gotten anywhere and never will because they haven't the initiative to get anywhere—Mr. Farmer doesn't understand that those people in that list are perfectly willing to divide with the farmers all that the farmer has and they will divide all that they have with the farmer—which is nothing.

That is the kind of information that must be gotten to the farmers and I have been impressed with this fact: At Fort Snelling—I went down many times last year and saw those boys drilling taking their examinations getting ready to be officers in the United States army and those boys worked from a quarter to five in the morning to ten o'clock every night for three months in order to fit themselves to get commissions. We are soldiers in the United States army just the same way. We have a duty to perform in this country just the same as those soldiers have. The thing I am talking about this afternoon is that we must get the knowledge into our heads we must spend some of our time some of our efforts just as those young men at Fort Snelling did, in order to prepare ourselves to meet this enemy. I don't suppose that there is one man in this room who believes that socialism is an enemy to this country. Socialism was not the idea of the founders of this Republic. Socialism was not the idea of the men who fought in '76, nor again of the men who fought in 1861, to preserve this nation. Abraham Lincoln, the greatest American who ever lived, had an entirely different idea from what Mr. Townley has, because Abraham Lincoln didn't teach envy and hatred and class distinction, but in 1864, in talking to some workingmen in New York City who had been trying to get some rights

which they were entitled to by violence, he told them this: That no man gains anything by pulling down his neighbor's home. The only way to do, if you want a home like he has, is to be industrious and earn it. That is not socialism; that is initiative; that is real Americanism. That is what we fought for in 1776 and again in 1861, and again today; that each man shall be allowed to develop to the full extent of his ability; that everyone shall have a free and equal chance. That is what America stands for, and it does not stand for class distinction: it does not stand for laws being put on the books by the farmers for all the people, or for all the people by those who live in the city, but it means that the people who live in the city or the country shall come together like rational human beings and altogether, as Americans, pass the laws for all Americans. That is what it means. (Applause.)

I am going to just touch lightly on what seems to me, from a banker's standpoint, a serious situation in North Dakota. I am placed where I am in a position of responsibility, where on certain trusts we have to, at times, buy a large number of mortgages, and I want to tell you, gentlemen, that not since that seed grain law was passed, whereby those seed bonds were made a first lien on that land, have we passed on a single mortgage from the state of North Dakota, not because I don't want to pass on it but there are plenty of mortgages where there is no cloud on the title, and that is where the money goes.

Yesterday, in the *Fargo Forum*, I saw an account of another order issued by your State Counsel of Defense. I don't know; I haven't considered the matter carefully, but a casual reading of that order would incline me to believe that it will not be safe for outside money to come into the state of North Dakota and be loaned on cattle. The machinery men in Fargo just decided that they would have to sell farm machinery for cash. Gentlemen, I submit that those kinds of rulings, that those kinds of orders are not in favor of the farmer, but they work absolutely against him, and I hope that it will not be necessary for the State of North Dakota and the State of Minnesota to go to the extent that we will have to learn by experience that such rulings and such laws cannot be passed looking only to the protection of one class of people and not to the protection of all classes of people, because that kind of legislation works injuriously every time.

We are entitled, more than ever today, with what we are going through, to a square deal from everybody living in the whole United States. We are not entitled to any half truths spoken from platforms which tend to build up class hatred. In Montana two weeks ago a gentleman told me that a leader of the Nonpartisan League said that it would be useless for the State of Montana to raise bumper crops; he had lived in North Dakota many years and they had raised bumper crops but that the farmers of North Dakota still owed three hundred millions of dollars to the money trust, and it was going to be another fifty years before they would get out from that yoke, he said, under the present system; the harder you work the more the money trust grinds you down. He didn't say that by the reason of the fact that you gentlemen in this room secured three hundred millions of dollars for these farmers and took their notes for it that those same farmers have an equity in those farms of between seven and eight hundred millions. No, that wouldn't make good talking from the socialist standpoint. But these are the facts that you gentlemen ought to know.

I am going to stop now. The whole purpose of this talk this afternoon was to urge you men, to urge the people in your towns to be as considerate of the farmers in this exigency as it is possible for you to be. Don't damn them—show them. If you are not capable of showing them get somebody else, but if those boys can spend three months drilling from a quarter to five in the morning to ten o'clock at night, you can spend some time in getting yourselves informed, in getting thoroughly acquainted with the literature published in Grand Forks and with books of this kind, and telling the farmers of these things.

Friends, I think we have been sleeping too long. Our loyalty has been lip service and not heart service, or it would not be possible for this condition to arise. Now that it has arisen we must meet it like men. A speaker at a dinner in Chicago made this statement: He said, "When God was making some men he ran out of the stuff that he used to make back bones with and had to use the stuff he made jelly fish out of." He said, "There are too many of that kind of people in the United States." I don't believe there is a banker in the State of North Dakota that is built that way. I don't believe in the kind of work that has built up the Nonpartisan League but I do believe that you have got to stand up for your rights under your state constitution and under the constitution of the United States. You are not ashamed of what you have done for the state of North Dakota. You, more than any other men, have made possible the great prosperity in the great state of North Dakota. You need not be ashamed of it. Without bragging about it let us put ourselves in position where we can sit down and intelligently meet the arguments of these men which are as false to their Americanism as is the doctrine that the Kaiser has been spreading in Germany. I thank you. (Applause.)

President Green: Mr. Chapman, I feel that I express the sentiments of this audience when I say that we feel very grateful to you for the message you have brought us today. Thank you.

I have just received a message from Mr. P. B. Mann, of Devils Lake, who is president of the Retail Merchants Association of this State, asking that we give Mr. Alex Karr a little time on our program today, and we have arranged with Mr. Karr to address you this afternoon on the subject of "Community Co-operation." He will speak to you for a short time, twenty or twenty-five minutes. We will now listen to Mr. Karr.

Mr. Alex Karr:

Mr. President, Ladies and Gentlemen: I wish to thank you for the courtesy you have extended to Mr. Mann and also to myself personally by permitting me to appear on your program for a few minutes to talk on this subject of Community Co-operation. I think perhaps a little mistake has been made. I am going to talk on propaganda leading up to the thought of community co-operation.

Somewhere about fifty years ago a rising young American poet visited New York City and went up to see Ellis Island, the chief port of entry for immigrants to this country, which receives daily more immigrants than any other port of entry in any country in the world. He saw them come by the thousands and by the tens of thousands and by the hundreds of thousands. He saw men from every nation in the world and he saw in a vision some of the things that we today are realizing in fact. He saw coming through this port a menace of socialism

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LEWIS CASS LEDYARD, Jr.
JOHN C. VAN CLEAF

and radicalism and when he went home that night he wrote a poem that today should be printed in letters of fire and distributed to every man, woman and child in the United States who can read or who can learn to read—"Unguarded Gates."

He saw the danger ahead. Mayhap he saw German propaganda. Maybe he saw the menace of foreign money sent to spread public discord. Mayhap he foresaw the things that we are fighting today. Now I am going to talk about the propaganda of another institution. I have some of it here. I chanced to pick up in an idle moment a copy of this magazine; 24 pages, nineteen and a half devoted to propaganda whose purpose is simply to drain the income of our nation to its life blood. There are hundreds of these magazines being circulated among us and I say that the purpose and end of it all that are circulated in the Northwest is to cause a steady stream of gold to flow from every community in the great Northwest to the centers of population. Do you know what it cost the Government last year to carry that propaganda, in excess of what was paid for transportation? It cost eighteen million dollars—eighty cents a head for every man, woman and child in the United States. Think of the *Saturday Evening Post*, the *Country Gentleman* and the *Ladies Home Journal*—how much it cost us as a people to carry that literature in the United States. It cost us four and a half million dollars more than they paid the Government. The *Ladies Home Journal* had \$450,000 worth of advertising matter. One issue of the *Saturday Evening Post* had \$350,000 worth of advertising, and it cost us \$15,000 more than they paid the Government to carry that maga-

zine. There are 2,500 great institutions in the United States who are advertising their business by mail and they issue this propaganda to do it and make us pay the cost of carrying their mail.

Another matter: In the cities of Fargo and Mandan last year the local postoffice received over 52 carloads of catalogues. Each of these carloads cost \$2,000 in the local postoffice to mail. Each of these carloads cost \$340 to handle by the local draymen, and this whole trainload of propaganda cost over two million dollars, and there are seven other cities in the State of North Dakota that are distributing points for this kind of propaganda.

I have visited sixty towns the last six months and spoken in each town and stayed two days. I visited all the local freight houses there and I find of the freight received at these freight houses from one-third to one-half is merchandise coming from mail order concerns. I saw Mr. Packard of the State Tax Commission and asked him how much of the merchandise in North Dakota is mail order merchandise and he told me one-third. That means that one-third of the life-blood of our communities is being drained away today. This kind of business has doubled in the last five years. If it doubles in the next five years they will be doing two-thirds of the business of the State of North Dakota and we will have only one-third of the life-blood left and the great centers of population will have two-thirds.

I will go a little further. They are not satisfied to use the pages of the public press; they are not satisfied to use our railroads to spread this propaganda, but they have recently attempted to use the machinery of our public schools. Last year a sub-

ject chosen for debate was: "Resolved that the business of mail order buying is detrimental to North Dakota." Boys and girls are chosen in the various cities for the debates and the winning team goes on until finally the last debate is held in the University. I have studied this question for six or seven years. I publish a little magazine and in every issue of this magazine there is an article or two opposing the mail order business. The boys and girls come to me for help. I asked them what help the other boys and girls who are debating the other side of the question are getting. They said, "They are getting oodles of it—oodles of help." I got hold of some of the literature that was sent to them and I just want to call your attention to one part of it. I have it here. Here is a ready-made speech prepared by the publicity man of Montgomery, Ward & Company. It would take about forty or forty-five minutes, speaking at the present rate of speed, to deliver that speech—a ready-made speech. That is the most false, the most insidious, the most damaging piece of propaganda that I have ever read. Here is the first statement: "There are only two classes of people anywhere opposing the mail order business, the local dealer and the local newspaper man." That is false—as false as any lie the Kaiser ever circulated. I contend that every citizen is absolutely opposed to the mail order business because he knows that the mail order business is draining thousands from every rural community in the nation. At the end of the Civil War fifteen per cent of our people lived in the cities and eighty-five per cent lived in the rural communities and now practically sixty-five per cent live in cities and thirty-five on farms. And we cry out that food will win the war, and we cry, back to the land. One-half of our arable land in the United States is not being cultivated. We will never have a back to the land movement until we have all the trade at home.

Why don't you bankers clap your hands? Don't you believe it? I do. I know it. Every dollar that is sent out of North Dakota to the City of Chicago for mail order goods has a tendency to drain the young men and women from the state to the great centers of population. You bankers are all interested in the success of your merchants. What do they say about your merchants? They say that as a rule the local merchant is a downright robber. Is it true? Absolutely not. And then they go a little further and they say that the local merchant's goods as a rule are shop-worn and out of date. They say when you deal with the local merchant you ordinarily pay two or three prices for everything you buy. Do you want your children taught that? Could any propaganda be more destructive to the welfare of the community than to teach the children that our business men are dishonest, that they are robbers?

Here is one thing. They take this statement and they ring the changes on it from A to Z. When you deal with a local merchant the only portion of the money that you give him that stays in the community is his profit on the transaction. That is false. His profit stays and the cost of doing business stays, and his profit and the cost of doing business amount to about thirty cents on the dollar. I read the speech and sent a copy of it to Mr. Mann, president of the Retail Merchants Association, and he came to me. First he went to Chicago, St. Paul, and Minneapolis to get the assistance of the wholesalers and the jobbers. These men were willing to help, and to give their money. They asked me to go on the road and spend the winter at this work.

I have been studying the subject for a number of years, and I have been on the road from then until now. We prepare the visit to the town by going to the school teacher and giving him ten dollars and say, "This ten dollar bill is to be divided into three prizes for essays on the subject of community and home trade. Then you are to appoint a committee of a business man, a farmer, and a professional man, and these three are to judge those essays and the prizes are to be announced at the time of our meeting and the essays are to be read." There have been eighteen hundred essays written by the pupils of the high schools and the public schools on community co-operation and home trade. We are doing our bit. At every town I have talked in we have always had a second meeting. We get the people together, the merchant, the banker, the farmer, and all the people and we say, "Do you want it? Do you like it?" And I don't find a single individual who will stand up and say "I believe in the mail order business."

Now you might suppose that that was the last thing they could do, but that isn't the last thing they have done. You know they have doubled their business in the last five years. Sears-Roebuck in 1916 did eighty-three millions; in 1917 a hundred and seventy-eight millions worth of business. They are going right on. A little agitation like we have doesn't amount to a drop in the bucket, and they propose to continue the work. Let me show you how they are doing it. I have another piece of literature from Montgomery, Ward & Company, by their advertising manager of the grocery department, written the 29th of May, 1918, addressed to the superintendent of the Devils Lake City Schools. In that letter he says, "We are sending this letter to ask for an expression of opinion. Our thought is to take a series of lantern slide lectures about certain interesting factors of our business. These pictures would be with the view of informing the public and we believe that the resulting publicity would fully justify the expense. We will furnish the pictures. The slides will be loaned free of charge to educational institutions and would be accompanied by a descriptive talk." Of course. It would be a descriptive talk that would count. Put them on the screen and give a nice descriptive talk. About what? About the institution that is draining your community of its life-blood.

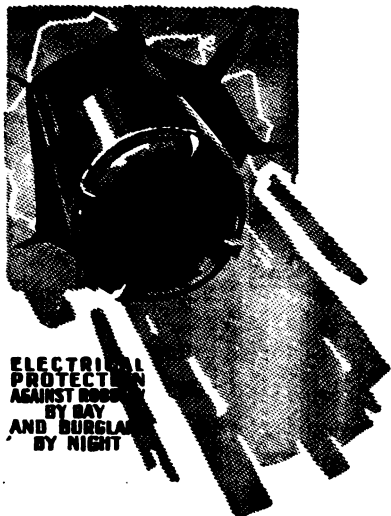
"The slides will be loaned free of charge to educational institutions for use and the only expense required would be a lantern and a screen." How interested they are in the education of our children! Your children, Mr. Banker, the children of the laborer, the children of the farmer, and others who may view the slides. The others who would view the slides, of course, would be the parents because the boys and girls would naturally talk about it and take their parents down to see the exhibit.

"We are sending a similar letter to a number of principals in your state."

Yes, a number of them! I warrant that there isn't a single superintendent of a high school in the state of North Dakota but what has received that letter.

"And we will be somewhat guided in our action by the response. We are enclosing herewith a stamped and addressed envelope and assure you we will greatly appreciate your opinion on this subject. Please do not hesitate to express yourself frankly."

Why, do you know what they did, sirs? They sent that mail order speech into this state, special delivery and with a registered letter stamp in some



HANDS UP!

Daylight "hold-up" is becoming more and more frequent.

The robber who holds up employees of a bank fears only the possibility of an alarm being given to the public. If the townspeople can be aroused promptly he knows his chances of escape are very slim.

Do you want to protect the lives of your employees, safeguard the money and securities entrusted to your care, increase the confidence in your bank, lower the cost of your burglary insurance, and at the same time give your bank a greater degree of protection against night burglary than can be otherwise obtained for several times the cost? Write the

CANNON BALL ALARM COMPANY

MINNEAPOLIS, MINNESOTA

cases, and one of the school superintendents made up his mind he would see how far they would go and he answered that he might accept if there was not too much opposition to the plan. And they answered, "We will help you if it needs men and money. We will furnish either or both." That letter is signed by the advertising manager, "Very truly yours," and here is a note, "Plegse write your answer on the back of this letter. It will help us to serve you more promptly." Yes, and they will get the letter back. (Laughter and applause.)

Now, sir, we have found this, that the most dense ignorance prevails in most quarters regarding the kind of propaganda that the mail order houses are spreading in the Northwest today. I went to the postmaster at Fargo and asked how many carloads of catalogues they handled. He said to me about three. I laughed and he called in his assistant and he told me, perhaps five. They called up the Union Transfer Company and his eyes opened and stood out of his head when they told him thirty-two carloads. I say the most dense ignorance prevails. These people have won out by spreading suspicion, because you know somebody says if you don't make a man doubt himself he becomes a liar to himself and a liar to everybody else. We have had a splendid opportunity to talk to these people and inform them and in all communities where we have talked they said, give us more information. The farmers are just as much interested as anyone else. I find that the business people are just as great offenders

in the matter of mail order buying as the people in the country. In fact I think the people in the country learn to trade with people who live in towns more quickly. We present from the platform, the facts to the people, something like this. I have here a statement from Sears, Roebuck. They claim they haven't any middlemen. We claim they have. In this little book we find some remarkable statements. We have a page and a half dealing with their printing plant, where they employ three hundred men. They print five hundred carloads of paper every twenty-four hours. They use three and a half tons of ink every day. Last year they printed sixty-five million catalogues and mailed them. How much business did they do? One hundred and seventy-eight millions. They did less than three dollars worth of business for every catalogue they printed, and they say they have no middlemen. It is facts like this that wake up the people as to how they are being fooled.

Again, in that mail order speech they lay great stress on the fact that their goods are of good quality, and they go on to state that even if a few of their sales are returned it would destroy the profit on a great many sales. I happen to have the financial report of Sears, Roebuck & Company for last year and I am able to tell you how much goods were received back last year as unsatisfactory. I can talk in large figures. I don't know much about money and so I will give an illustration. If I build a store here twenty-five by one hundred feet and

fill it with twenty-four hundred dollars worth of merchandise, and then another one and then another one and then another one, until I have a whole block of them, that would not hold the things they had to accept as unsatisfactory and handle twice; and I will build another block of stores, and that is not enough, and then I build two, three, four, five and six blocks, each containing stores with \$24,000 worth of goods, and I have got just enough stores to hold the goods that Sears, Roebuck had to accept returned to them as unsatisfactory, \$12,460,615 worth of goods. A little consideration of these facts alone is sufficient to show us that they can't sell good as cheap as they claim.

Is this an important matter? Uncle Sam has had something to say about it and considers it important. You know the Federal Trade Commission last year indicted Sears Roebuck on two charges, one for selling sugar below cost and the other for distributing false advertising. It is news to a lot of the friends of Sears Roebuck and the rest of them that the Federal Trade Commission has had to take it up. It is very instructive news. In every locality which I have visited there has been a vast amount of enthusiasm and a discussion and determination to continue this work. This work has just been a preliminary canter; we are just trying it out. Has it aroused any interest? A vast amount of interest. The Retail Merchants Association of the Dominion of Canada recently asked Mr. Mann to go to their meeting in Winnipeg. The Dominion Government is taking this matter up and are going to sift it. Mr. Mann has been summoned to appear before the Federal Trade Commission to testify on this question. Our Woodrow Wilson believes in the local community. In his "New Freedom" he says that if you damage the community you kill the nation. He is right.

We believe, sir, that this is a great subject; that it is of supreme importance; that something ought to be done. Believing that something ought to be done, a few weeks ago we called the presidents of the various business men's associations of the state together. A number of the presidents came and we discussed this proposition. We think it ought to be carried out and made a general movement—an educational movement throughout the state of North Dakota. We decided to organize and incorporate some kind of an institution to carry on educational propaganda. We do not talk simply on the mail order business but on the community co-operation and to teach kindness and brotherly love and Christian charity. We do not talk politics. We explain that to every individual connected with our work and have it embraced in their contract that any discussion of religion or politics is forbidden under their contract. We leave that to folks who know more than we do.

We have organized and incorporated what we call the Federated Community Life Development Association. Mr. F. P. Mann, of Devils Lake is president, Harry Green, of Leal, North Dakota, a man who owns and farms twenty-five hundred acres of land, is our vice president. Mr. Sherarts and Mr. Beaman, field managers, are members of the board, and I am a member. We are the incorporators. There is no stock. It is educational propaganda. There are three men on salary, only three members, to visit a hundred and thirty-two towns this year in the State of North Dakota. We purpose to stay two nights in a town and to get to each town four times a year, about two months apart. We will have the four best speakers in the United States

along community co-operation lines, and accompanying these an entertainment company. We purpose in every case to make the admission ten and twenty-five cents. In each case we want to form a community club and lay the ground work for a community building. Two gentlemen in the hall today asked me to co-operate with them in a project to build a community building. At every convention of business men we put the matter up to the members and in every case they have endorsed our movement and sometimes they give us financial assistance from their organizations. I am going to ask you to endorse this movement and to arrange that your secretary and president shall be members of our advisory board. All the associations we have yet had the pleasure of meeting with have endorsed our movement and arranged that their presidents and secretaries should be members of our executive board.

I want to read this copy of the articles of incorporation to you:

"That the particular objects and purposes for which said corporation is to be formed are:

The promotion of the social and intellectual standing of its members.

The promotion and fostering of community co-operation.

To advocate and promote the conservation of local man and money power in each community.

To emphasize the dignity of labor and the importance of agricultural pursuits.

To improve the present system of merchandising and to encourage the trade at home idea.

To promote the erection of community buildings and to encourage the beautifying of the community surroundings.

To furnish clean, wholesome entertainment of a high class and to provide lectures on topics of community interest.

To promote and stimulate immigration.

To encourage scientific management to the end that better farming methods may be attained.

To assist in creating new markets and in improving general marketing conditions to the end that producers may secure better returns on their efforts.

To encourage the development of the natural resources of the State of North Dakota, and elsewhere.

To establish community clubs and direct their activities.

To designate, establish, publish and circulate an official magazine and to raise and provide funds for its support.

To do any and all things which will tend to promote, foster and encourage co-operation between individuals and communities in the State of North Dakota, and elsewhere, and to that end and for the furtherance of said purpose to purchase, own, hold, sell and transfer both real and personal property within the State of North Dakota, or elsewhere, and to mortgage, lease or hypothecate the same."

We hope that this very hasty and scrappy presentation of this idea may create sufficient interest to have you appoint a committee to take action on this matter. If you do there is one thing I am going to ask. I want to make this plain: We haven't a thing to hide. We haven't tried to hide anything. It is an open and above-board campaign. I wanted to find out what the people thought and to tell them more than I could tell them in just a short address, and we call the people together and discuss this with them. In this movement Mr. Mann and Mr. Beaman, who has been here for thirty-five

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Capital and Surplus Ten Million Dollars

Department of
BANKS AND BANKERS
P. J. Leeman, Vice President
S. H. Bezeler, Asst. Cashier, C. B. Brombach, Asst. Cashier

years—perhaps many of you know him. There are a great many who know Mr. Harry Green. Some of you know me; I have lived here twenty years. Most of you don't know Mr. Beaman. This is to be a great movement of the people, by the people and for the people. (Applause!)

President Green: You have listened to what Mr. Karr had to say with reference to this community interest and also heard his request for action on the part of this Convention on this matter with reference to the appointing of a committee. What is your pleasure with reference to his request? Is it your desire that a committee be appointed to co-operate with these men in this work? If so the chair will entertain a motion to that effect. Or do you desire to refer it to the Executive Council?

Mr. C. E. Bacheller: I move that the president of this Association appoint a committee to work with this Association.

Motion seconded. The motion prevailed.

Mr. Karr: We would like all of you to favor this movement and we believe you all do. If you want something of the kind we have to offer in your community, if you will arrange with the business men to invite us and hope you will make every effort to assist us when we come. We will not go into any community in which ten men will not stand behind the movement. I am going to ask you to write us if you feel kindly toward the movement, and particularly to help us when we get to your town.

Mr. Green: I will make the appointment of this committee later. The next business on the program here is the reports of the standing committees. We

will now listen to the report of the Committee on Credit Forms. Mr. S. G. Severtson is Chairman of that committee. Please come forward and make your report.

Report of Committee on Credit Forms.

Mr. President, Ladies and Gentlemen:

It will not be necessary for me to burden you with a lengthy report, inasmuch as the members of the Association have already been informed in Bulletin No. 209, which was mailed them recently by Mr. Macfadden, the secretary of the Association, of the work of the Committee on Credit Forms.

The Committee met in the Association office on Saturday, March 30, with all the members present. Three different credit form blanks were outlined and decided upon, one covering corporations, one individuals and co-partnerships, and one farmers. It was further decided that the chairman of this committee prepare and submit to members of the Association the sample copies of forms, for decision as to approval. This work was, however, interrupted by the unexpected illness of our Chairman, Mr. Sherwood, and we were all grieved to hear of his death on May 4th.

Mr. Tracy and myself had another meeting in the Association office on June 12th, and samples of the recommended forms were mailed to you for your inspection and approval, with the Bulletin, with the request that you inform your committee through the Association office at Fargo, as to your approval and adoption of the forms.

Your committee recommends the adoption of this

system for a record of credit information, by all banks in the Association, so that the system used by members may be uniform as far as possible.

You were also advised that the price of these blanks to members of the Association will be 80c per hundred for Forms 1 and 2 and 50c per hundred for Form 3. Filing cabinets to be used for filing the credit statements will be furnished at \$1.25 each, including A to Z index, and orders should be mailed to the Association office at Fargo.

In conclusion I wish to say that personally I deem it an honor and privilege to have been appointed on this committee; it has been a pleasure to serve on it, and on behalf of the committee I wish to express sincere thanks and appreciation of the help and courtesy extended to us by Mr. Macfadden and his assistants.

S. G. SEVERTSON, Chairman.
* * *

President Green: Gentlemen, it seems many of the audience are leaving the hall. The reports of these committees are the most important business we have to transact; the reports of the Farm Labor, Insurance and Immigration committees especially are interesting and I hope none of you will leave except those who really have to leave. This Convention is here to do some business and we cannot do it intelligently if we don't have at least some audience. I will ask those who don't have to go away to kindly remain with us so we can get through this business. We will now listen to the report of the Committee on Farm Labor, by Mr. R. H. Farmer, Chairman.

Report of Committee on Farm Labor.

To the North Dakota Bankers' Association Assembled:

As chairman of your Committee on Farm Labor Reserve, I herewith tender you our report for the past year.

Your committee, consisting of Mr. John O. Fadden of Arvilla, Mr. C. P. Allison of Marmarth and myself, held a meeting in Secretary Macfadden's office, at which meeting we invited Mr. Hagen, Commissioner of Agriculture and Labor, and Mr. Brown, Federal Farm Labor Specialist. At this meeting the problem of farm labor reserve was discussed thoroughly and conscientiously, and it was the consensus of opinion of the entire committee that a great deal of good and benefit could be accomplished in the way of establishing a farm labor reserve. It was the consensus of opinion of the entire committee that the Association, as a whole, tender its services to the Federal and State labor authorities.

There is now being worked out in this state by Federal and State labor authorities a farm labor reserve and, as this work is being taken up by the proper authorities and to prevent any criss-crossing or duplication, the committee deemed it wise that at this time this Association should go on record as tendering our undivided support and co-operation to the proper authorities in establishing and maintaining a farm labor reserve.

Respectfully submitted,
R. H. FARMER, Chairman.
* * *

The following special committee on Community Development was appointed by President Green: Harley S. Grover, Lisbon; F. L. Nichols, Kensal; and Lewis F. Crawford, Sentinel Butte.

President Green: The next report is that of the Committee on Insurance. Mr. H. P. Beckwith is Chairman of that Committee:

Mr. H. P. Beckwith: Gentlemen, I am going to make this pretty brief. I have appeared before you at every convention for the last four or five years on this insurance proposition until it is probably getting a little stale to you, but you know four years ago we organized our North Dakota Bankers' Mutual company. You have heard a lot about it. We have tried to give you good service and we feel as this is your company, controlled absolutely by the member banks of the North Dakota Bankers' Association that you should know a little of what we are doing. Of course we expect you to read the statement we sent out. We want you to do that because this is your own company and you are just as much interested in it as the officers and directors are. We have rendered a statement of the condition which I want you all to read. We are trying to run this business in a way that will meet with your approval and thanks to the business management of our able secretary, Mr. Macfadden, I think we have done so. We have assets today of \$15,902.19 in cash, \$2,000 in Liberty Bonds, and outstanding premiums of \$1,600, making the total assets, \$19,872. This does not look very big but in proportion to the risks outstanding we can show a mighty big reserve—a whole lot better than some of the larger companies.

We have policyholders to the number of 546. There are 546 bankers of the Association who are patronizing our home company. We have something like 840 or 850 members, so there are some of the members that have not kicked in as yet. We gain a few new policies each month and as the old policies are expiring they are coming in. We have returned to our policyholders each year twenty-five per cent. We are able to do this because we keep the expense ratio down. We believe in re-insurance. We have had some losses and we have paid them promptly. We carry no risk more than \$5,000—that is as our own risk because we are a young company, just starting in. We re-insure all risks over \$5,000. Our net losses since we started in amount to \$5,000. We have had six or seven of them and they have been adjusted promptly, I believe. I remember one day there was a burglary down in a town in the Southern part of the state and on Saturday night Mr. Macfadden got word of it and on Sunday morning he went down there and drew a check on Monday for the cash loss, and the loss to furniture and fixtures has been adjusted since. So we think we are giving pretty good service in getting quick action.

In conducting the business we have had only one thing in mind—complete protection to the policyholders. We have about fifty per cent of our policies re-insured. We have six companies which we are reinsuring with. There are 295 bankers in the Association who haven't insured with us and we hope before the convention is over that you will make an application either by mail or to Mr. Macfadden, and we can send you a blank application. We want you to give us a trial. It is your company, not ours, and we are trying to merit your approval by giving it the best of attention from the directors and the officers who have it in hand. If there are any questions anybody wants to ask me or Mr. Macfadden we will be glad to answer. If not, I thank you. (Applause!)

* * *

President Green: We will hear from the Committee on Immigration, Mr. W. I. Forbes, chairman.

THE
HANOVER
NATIONAL
BANK
OF THE CITY OF NEW YORK
Established 1851

Capital \$3,000,000
Surplus and Profits 17,000,000

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FOREIGN DEPARTMENT
WILLIAM H. SUYDAM, MANAGER
ROBERT NEILLEY, ASST. MANAGER

Cor. Nassau & Pine Streets

Report of the Committee on Immigration.

Mr. W. I. Forbes: When we took this matter up the Committee on Immigration had had more or less experience in the matter and we realized the importance of this matter, and we realized, too, that it is not a time to speculate in any way and we realized that if anything is going to be done it will have to be done by specialists in this line and the organization will have to be so treated that it will be absolutely impossible for anything to be done that would not be fair to all the bankers of the state.

Our ideas are in line with the speakers you have already heard. This nation is going to be no better than the people of the several communities that go to make up this nation. We went to the best men we could find in the immigration work, Mr. Bricker, of the Northern Pacific Railway Company and Mr. _____, of the Great Northern Railway Company, and they both gave up other important work to meet with us, because they feel that we are sincere in what we have done, and they thought before any discussion on the subject was brought up that whatever is done must be done with an idea of a sustained movement, and if the people want to get behind it it can't help but help work a great benefit to the state of North Dakota. (Applause.)

* * *

President Green: Now the next report is the report of the Committee on Bank Education. Mr. G. S. Newberry is chairman of that committee. Mr. Newberry is not present and he hasn't filed any report with the secretary so we will pass that today. Probably he will be here tomorrow. The report of the Committee on Taxation; Mr. W. F. Stege if Chairman. Is he in the hall?

Report of Taxation Committee.

Mr. Stege: Your Committee on Taxation respectfully beg leave to report that a meeting of our committee was held at Fargo and matters in connection with the taxation of banks and bank stock were thoroughly discussed. A recent decision by the Supreme Court of Kansas was read and discussed, the Association attorney, Hon. Edward Engerud, being present and giving us the benefit of his opinion in connection with this decision.

In this decision the Court directs that state taxing authorities must allow banks to deduct from capital, surplus and undivided profits, not only the assessed valuation of the real estate owned and occupied by the bank as a banking house, but the assessed value of any other real estate which the bank may own in fee; there being two limitations to the deductions, namely: First, that no deductions may be made for real estate in other states owned by state banks, national banks, or loan or investment companies. Second, that in the case of state banks the deduction on account of real estate necessary for the convenient transaction of business, including furniture and fixtures, may not exceed the value of the real estate which the bank has capacity, under the law, to hold for that purpose.

The foregoing limitations, however, should not be applied to national banks for the obvious reason that the state has no power to regulate the proportion of the National banks' capital it may invest in its banking home.

The suit brought in Kansas was a friendly one to determine the points involved, the contention of the banks being that not to allow the value of their

real estate owned by the bank in fee to be deducted from capital and surplus was to cause the banks of the state to pay double taxes on the value of the real estate not deducted. The contention of the tax commission was that the money invested in such real estate was not a part of the bank's capital. On this point the Court ruled in favor of the banks and against the contention of the tax commission.

We believe that the investigations begun by our committee should be continued and that members of the Association should be promptly notified of the result of further investigations as to what should be done, if anything, by our Association to correct some of the present injustices in taxation in our state.

We also recommend that banks should carefully follow up assessments made each year, and that in case of irregularities or inequalities in bank assessments they should be promptly reported to the Association office in order that such injustices or inequalities may be taken up at the proper time with the state board of equalization.

In the judgment of this committee the banks as a rule do not pay careful attention to the assessment of bank stock and bank property as should be paid, and therefore, in closing, we would suggest that they give the matter more careful attention than has been the rule hitherto.

Respectfully submitted,

WM. F. STEGE, Chairman.

Mr. Stege, (continuing). We find that in discussing tax matters there is a very large field. I believe that the Taxation Committee of the Association will be able to save thousands of dollars if they will all dig into it. If there is anyone here in the convention who has been improperly assessed let him report to our Secretary and have him take it up with the Taxation Committee. The members of the Taxation Committee were all very busy with Liberty Bonds and for that reason we were not able to complete this work as we should have liked to complete it. I thank you.

* * *

President Green: As that completes the reports of the standing committees the next thing for the convention is to take action on the reports of these committees. First will be the action on the report of the Committee on Credit forms. What is your pleasure with reference to that report?

Mr. C. E. Bacheiler: I move that the report be accepted and placed on file.

Mr. Green: I understand it that the recommendation of the Committee is for the adoption of these blank reports.

Motion seconded. The motion prevails.

Mr. Green: The effect of the report of the Committee on Farm Labor, made by Mr. Farmer, is that it recommends that we co-operate with the proper authorities in this matter of reserve labor and not take up the matter ourselves, individually. I believe that is their recommendation. What is your pleasure.

Mr. A. F. Volkmann: I move that the report be adopted.

The motion was seconded. The motion prevails.

Mr. Green: The next is the report of the Committee on Insurance made by Mr. Beckwith, showing the condition of our Company. Mr. Beckwith, I believe, did not make any further recommendations than a request that members of the Association who are not buying their insurance through us or carrying insurance in the insurance company, do so. What is your pleasure in regard to that report?

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Mr. H. W. Allen: I move that the report be received and placed on file.

Motion seconded. The motion prevails.

Mr. Green: The next report is the report of the Committee on Immigration. This, as you know, is up to you people now to say whether this work shall be continued or discontinued. I think before you take any action on the adoption of this report it would be well to hear from the people who are present; for instance we have the Immigration Agents of the Northern Pacific Railway and the Great Northern Railway here today, and Mr. C. C. Connolly of Devils Lake, who has taken a great deal of interest in immigration matters, and either or all of these people would be glad to talk to you for a few minutes or we would be glad to hear from any body else before we take up the matter of the disposal of this report. If it is satisfactory to you, before we make a motion, we will hear from Mr. Bricker.

Mr. Bricker: Mr. Chairman, gentlemen: I really do not feel like taking the time of this convention at this time in making any extended remarks on the subject of immigration unless some member has a desire to know something specific in regard to this movement that you have in hand. I, with the other gentlemen mentioned by the chairman, from time to time have met with your committee and we had quite an extended meeting in Mr. Macfadden's office in Fargo and threshed the matter over pretty thoroughly and I think the Committee understand the situation thoroughly, and they are prepared to make their recommendations through this body and we are only here as invited guests to answer such questions as may be put to us by the officers of this

Association or by the members who have an interest in the matter.

So far as our work is concerned it would co-operate with your work. We would try to work very closely with you. We always did work together when each railway was trying to do its own work. Mr. Leedy and myself worked very closely with the state immigration commissioner and all of his men, at fairs, shows and exhibitions, schoolhouse meetings, etc. We never had the slightest trouble. Each one has been fair with each other and we never interfered with each other's work but co-operated to the credit and good of this state.

As you know, there is about a half dozen transcontinental lines in this country and one or two others that are not transcontinental lines that have made a sustained effort and continued the work consistently over a long period of years in immigration matters, and that kind of work always bring results. I don't know anything that is more talked about and less understood than the subject of bringing settlers into a community. It is astonishing how nearly everyone has a preconceived notion about how to procure settlers and not one of them, hardly, can be put into operation. We had to learn it by hard knocks and hard experience and by spending large sums of the company's money. We are not geniuses. We had to learn it and the company had to pay for our mistakes, and we made lots of them. The kaleidoscope changes every day. A man has got to alter his views to suit the conditions of tomorrow, not conditions that existed twenty years ago. He has got to keep abreast of the times in order to conserve time and energy and money.

I know of no move that your Association could

make that would bring more credit to yourself, individually and as a body, and to the state in which you live, than a concerted move on your part, without interfering with anybody, to bring good people into one of the best states of the Union. One thing we will give you gratis is this: that our experience teaches us that it is easier, I believe easier to get a citizen into your state who can begin business the day after he gets here, as it is to get one who is a lame duck and is a heavy responsibility from the moment he arrives and is liable to become a burden and a very heavy responsibility. That is our experience. I do believe that within the last five years, we have handled man for man and woman for woman, a better class of settlers than ever in our experience before. You know as long as Mr. J. J. Hill lived, from the time that he first became interested in railroads, he was a believer in securing people for the state and in securing population and then he was interested in all of the agencies that go with that, better live stock and more live stock of every kind that will do well in this country, in better farming and diversified farming. He took interest in it almost as long as he was conscious. He called an expert to his aid. I don't believe a better man for this Northwest ever lived and it was my sad duty week before last to follow Mr. Hill's right hand helper in this work to his last resting place. I refer to Professor Thomas Shaw. His funeral was one of the largest I ever attended, and men in all walks of life, from professional men to poor college students were there to do honor to his memory. His monument will be the thousands of lectures and thousands of columns of literature that he put out in order to make better homes for thousands of men and women now living and thousands unborn.

I want to refer to one thing—I am saying more than I intended. It is a big subject and my heart is in it. In the fullness of the heart we often say things. I want to speak of our sister country, Canada. Thirty-five years ago they started to build three great trunk lines to the Pacific coast, with thousands of branches. They had vision and they had knowledge, experience and money to do it all with. They did do it, to their credit—to their everlasting credit, but thirty-five years ago the wise men of Canada got together and formulated a policy to bring immigration into Canada. They knew they would have to have railroads and they built them. They built them as fast as they settled the country, and the policy inaugurated by the Canadian Pacific has never been changed except to amplify it as the changed conditions demanded, and they were right in the forefront in doing that. We may say when Canada has been bled white in the flower of her manhood, to her everlasting credit, after nearly four years of war and interruption of the regular course of business, within the last six months Canada has appropriated and spent more money advertising and aiding in the immigration projects and seeking good American farmers than all the American railroads combined and all the states in the Union and all the bankers associations and real estate men, and anybody else. You ought to be zashamed of yourselves, but it is to the everlasting glory and credit of Canada. I wouldn't keep Canada from coming down here and taking all the people she can get.

We came to your capital a few years ago and we labored and we talked ourselves hoarse to the legislature and state officials and finally got through and got them worked up to appropriate \$50,000 for a period of two years. Instead of using that money

for immigration they ought to have appropriated that much money for ten years and made it impossible for anyone to interfere with it, but some smart Alects with more brass than brains threw a monkey wrench into the machinery and they never got a cent of that money, and the ten years good work that was done with a small appropriation was interrupted. The bankers of this state, gentlemen—a second Iowa—it doesn't make any difference what the National Government does or what the State of North Dakota does, nor what the railroads do, the bankers of this state have the brains and the business organization built and they have also the confidence of their state and they can mold public opinion, and as that splendid speaker said a while ago, you need capital and population. It only takes a little capital to employ quite a few active men to keep up this work in a consistent way.

If there is anyone here that would like to ask a question, go to it right now because I am going to quit. Does the subject interest you enough to cause a scintilla of inquiry in your brain? If it does let me have it and I will answer it if I possibly can.

Mr. Grover: Is an effort being made at present to get settlers from other states, and if so are you getting results?

Mr. Bricker: We are always getting results; we never stop. We are now working for the government. No matter whether the roads are allowed to go on and operate as they have been all these years that will not interfere with any plans that are made and we will certainly co-operate with you to the best of our ability.

* * *

Mr. Green: Has any other member anything he would like to say on this question? If not I am going to ask Mr. Connolly to talk to you.

Mr. Connolly: Mr. Chairman, and gentlemen of the Bankers' Association: The greatest need of the state is more people on the farm. I have been in this state for thirty-eight years. I am a farmer and have studied the agricultural wants and conditions of this state probably as closely as any other man in the state. We would have in the State of North Dakota one of the greatest and the most beautiful and most prosperous and wealthy states in the Union if a body of this kind would get behind a movement of this kind, which they can do, and which Mr. Bricker has told you they can do. Let us take up one or two points of the Canadian proposition. The master minds that are controlling the destinies of Canada to day are looking ahead for fifty years. The first thing that the did was to float two hundred millions of five per cent bonds, maturing in fifty years, to be divided up for the development of Western Canada. When you get behind a movement with such an organization as this there is no question of what can be done in this state. The vision I have for the state of North Dakota for fifty years or more ahead, gentlemen, is within our power to bring into practical operation when we have an organization of this kind to bring the people into the country. Gentlemen, I want you to leave this Convention and go home thoroughly imbued with this vision.

I was talking to a man from the Southwestern portion of the Missouri Slope and he said, "Our people didn't fail last year. The stock we are raising and and selling is going to tide us over another year even if we don't raise any crop." Another thing I want to tell you, and that is that there are two roads leading from the North Dakota wheat farm, and of the two roads one is to the poor-house and

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the other is to the insane asylum. I thank you. In this work I am going to visit every town and every community in the state and as I come into your community I want you to help with the preliminary organization.

Mr. Leedy: I don't think I can add anything to what has already been said. Anything I could say would simply be a repetition of what has already been said. I think this movement has great possibilities and is something that should be followed up. There is nothing very new about this immigration work. It is simply a question of getting started on the right track and keeping at it.

Mr. Green: If there is anyone else that wishes to say anything on this question we will be glad to hear him.

Mr. Bricker: The homeseeker's rates have been done away with but we are to have a meeting with the Federal authorities to take this matter up and we hope to be able to secure homeseeker's rates.

Mr. Green: What is your pleasure gentlemen, in regard to the report of this committee?

Mr. H. S. Grover: I move that the report be filed with the secretary and that the committee's work be continued.

Mr. Green: I would like to ask the mover that he amend his motion to leave the matter in the committee's hands—or rather I suggest that he incorporate in that that the matter be referred to the Executive Council to put this work in operation or figure out whether it is practical to put it in operation.

Mr. Grover: I move that the report be accepted the committee continued and the matter of putting

this into operation be referred to the Executive Council.

Motion seconded. The motion prevailed.

Mr. Green: The report of the Committee on Taxation is next. What is your pleasure in regard to that? Do you wish to adopt that?

Mr. H. W. Allen: I move that the report of the Committee on Taxation be adopted.

Motion seconded. The motion prevailed.

Mr. Green: There was no report from the committee on Bank Education so no action is necessary on that. Tomorrow forenoon will be a very interesting session and I would like to see every member in his seat here. The president of the State University, Mr. Kane will address you, and Professor Lurton, of the East Grand Forks Schools will address you on "Universal Military Training." I have had the pleasure of listening to Professor Lurton and I assure you that he handles the subject without gloves and you will be very much interested and I know you will be interested in hearing your new president of the State University. I hope you will all be here on time. In addition to that we will have with us tomorrow morning, unless something happens, Mr. Rogers. If we meet at ten o'clock that will only give us two hours—hardly time enough. I believe it would be the part of wisdom when we adjourn to adjourn until nine-thirty and start work at nine-thirty instead of ten o'clock so that we may be sure to get through with this whole program in the morning, so we can take up some of the matters that are scheduled here for the afternoon and then we won't be delayed until a late hour in the afternoon. It is up to you people

to say whether we shall meet at ten o'clock or nine-thirty in the morning. What is your pleasure?

Mr. Volkmann: I move that we adjourn until nine-thirty.

Motion seconded.

Mr. Green: Motion prevails, and we will meet promptly at nine-thirty tomorrow morning.

Adjournment.

* * *

Morning Session, July 12, 9:30 o'clock.

Meeting called to order, President Green in the chair.

Mr. Green: We are a few minutes late in getting started this morning. It seems hard to get the visitors and delegates together, but we will not wait any longer. We will have to go ahead with our program. It affords me much pleasure this morning to introduce to you Dr. Thomas F. Kane, president of the State University at Grand Forks. While he is a stranger among us still we feel as though we knew him already and I know that you people feel the same as I do about it, that we want to give him a very hearty and cordial reception, and I now take pleasure in introducing Dr. Thomas F. Kane, who will talk to you.

BANKING AS A SERVICE.

By THOMAS F. KANE,

President of the University of North Dakota.

Dr. Thomas F. Kane: Ladies and gentlemen: I wish to acknowledge the courtesy of this invitation to be at your meeting today and to bring you, at the same time, greetings from your University. You will understand that I speak not as a banker but rather simply as a citizen.

It will be understood that I speak not as a banker, but rather simply as a citizen. If any justification is needed for a layman speaking to you, men trained in matters of finance, it would be found in our subject, "Banking as a Service." This, tomorrow, even more than today, is to be the test of all business. The "work or fight" order judges of the usefulness of the work in which a man is engaged. As, at this time, there are preferred lists of products, that bear directly on war work, so in our economic life, both now and when the war is over, every line of business, to justify itself, must show that it is doing service.

I am not assuming, at all, that service, as the aim of business, is new to you bankers. This is, however, so fundamental that it is worth our while to see if we are giving the principle of service its proper place. Nothing in the experience of any man now living has so emphasized and illustrated the importance of service as the war. Our nation will succeed with its part in the war, because so nearly all of our hundred million people are giving their service, are doing their bit.

It may be shown in the same way that, in time of peace, service by all means prosperity and advancement in the community, and that service is the keynote of the individual's success as well. It is often argued, and even taught, in our text books on economics, that business is essentially and necessarily selfish in its aims and purposes. I am here to say to you that the greatest assurance of business success is service rendered.

Let us look at a few examples, that we may be sure that we are thinking about the same thing. The first time that I went to New York on a busi-

ness errand was for a conference with a dozen more individual men, part of them from near towns. I selected a hotel that was, so far as I knew, the best hotel in the country, so that it would be easy for these men to find. On stopping there, I was naturally curious to know why that hotel was known all over the United States. I have stopped there since rather regularly, for a number of years, and I get the answer for my curiosity out of my experience and observation there. At no time in all this experience did they ever fail in a single service that made for my comfort or convenience or the saving of my time. Their methods of getting telegrams and telephone calls fresh to your attention, and of finding strangers for you, with whom you are to have conferences, are almost uncanny. They get for you any information on schedules, addresses, or plans of trips and connections that can be furnished in New York, or anywhere in the country, for that matter. I never, even yet, go to this hotel without being amazed at their provision to render their guests every imaginable service. Whatever else enters into the fame of that hotel, without question, the keynote is the service they render.

Again, you would not be in Chicago long before some Chicago man would tell you that Marshall Field's is the greatest store in the world. So far as I know, it is. It is certainly great enough for all ordinary purposes. Hearing this, you will go into Marshall Field's with somewhat the same feeling of curiosity that I felt when I went to the New York hotel. When you go into that store, you will be impressed first with the acres of floor space, but next with the type of service that they give their customers. Every convenience conceivable is provided. Courteous and intelligent treatment is found in every department. The customer or visitor is made to feel at home from the moment he steps into the store. Afterwards, little matter how long afterwards, if you find that there are articles in your purchase that you do not want and would like to return, you may return them, without meeting any argument. No questions are asked, other than to identify the goods as coming from their house. The goods likewise are made to measure up accurately and definitely to the representations to the purchaser.

The same principle is followed in their wholesale stores. I know a merchant in Grand Forks who was a customer of Marshall Field's at the time of the last great panic. At about the most depressing time, when it seemed a question from day to day when they could keep open, he had an unexpected call from Marshall Field in person. Among other feelings that he had at this call was the thought that Marshall Field had learned of the difficulties he was in and that possibly he was there to insist on settlement of his account. When they went into the office together to talk things over, Marshall Field spoke, something to this effect: "A good many of our people are having serious difficulty in this panic and I thought possibly you might be having some of the same troubles for the same reason. I dropped in today to say to you that we have arranged to take care of all of our customers, and we want you to go ahead in full confidence, knowing that we will see you through, and your orders will be good with us just as they have always been, and we have the same confidence in you and your business that we have had when times were good."

I am inclined to think that if you were to ask the owner of one of the best business houses in Grand Forks what carried him through the panic, he would

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say that it was this attitude of Marshall Field's. The constant and intelligent following of this principle is an essential part of the explanation of why Marshall Field's is the largest store in the world, and this slogan of service was made so clear that the store goes on after the death of the founder.

In the same way, I can remember, when a child, hearing about the great store of A. T. Stewart of New York. I can remember hearing a man tell my father at one time why that store was the greatest in New York. It was for the reason, he said, that a child could be as safely sent to that store to make a given purchase as the best professional buyer.

Let us come nearer home for an illustration. The late James J. Hill, I think, is properly judged the greatest railroad man of this age. If we were trying to pick out the principles of his railroad policy that gave him success, what principles should we name first? I should take as the key to his success the principle which he often enunciated, that for a railroad to be prosperous the country through which it passes must first be prosperous. In practice, I wonder if any citizen of the Northwest has done more for its farmers, as part of this policy, than President Hill. He helped in improving the breeds of cattle and horses and stock on the farms. He taught variety of crops, marketing and farm management, and the various principles of business that make for success in farming. He made the country prosperous, likewise, by working to put people on the land.

I am not using these illustrations for the sake of praising these great business enterprises, or the men responsible. I am simply using them as proof that service is the keynote of business success. For our

purpose I need not stop to discuss the motives of these men or their sincerity in following these principles. It will serve our purpose to establish the principle that service is necessary to the highest success in business today, and it will be increasingly a requirement of business tomorrow.

When we speak of banking, we are speaking of a vital line of business. Banking must be right in its principles and practice or the business of the community in general is awry. Banking is vital, hence it must be right and capable of giving service. This principle is one of the most interesting things observed in the world war. We cannot stand too much on ceremony in cases of vital importance. It is a matter of absolute necessity that we have in places of responsibility, in connection with the war, men who can give the service required. In England, for example, the English people are not asking today, according to their custom in times of peace, what the grandfather of Lloyd George, a Welshman, could do or did do, or the ancestors of Mr. Geddes, who was tried out as a section hand on an American railroad, or of Mr. Northcliffe. By a severe test that would not be made in peace times, these three men have been picked out and put in vital positions, because of the confidence, which has proved true, that they could give the service needed.

One is reminded of the letter of Secretary of War Alger, as made up by Mr. Dooley, at the time of the embalmed beef and other troubles in the Spanish American war. The letter was addressed to Senator Depew as "Dear Chauncey." After telling of his sufferings and distress over insurmountable troubles, he summed up the situation by saying that the



DR. THOS. F. KANE, President University of North Dakota.

whole thing was a big mistake. It arose from the people not understanding what he wanted. He wanted to be Secretary of War and he had no desire whatever to be Secretary of a war. So it is in England now, in "a war" when the nation's life is at stake, they must have men in responsible places who can give the service.

In the same way the world is dead in earnest today about the principles of democracy. One million of our countrymen, representing us, are risking their all today, that Right may be sovereign in the civilized world, and not Might. The slogan of Right is service. Any line of business that cannot measure up to this standard of service will lose out, and any one

in any line of business who does not render the service of which that line is capable will sooner or later be replaced.

No line of business is more capable of rendering service in the business and economic world than banking. Banking is too often thought of as a cold-blooded, calculating form of getting, with Shylock as an example of bargain driving. You men want the inspiration that comes from the conviction that there is another record that has been made by bankers, the record of service, and the further conviction that such a record as Shylock's need never be made by a real banker.

There could not be a time when the service of our

bankers was more clearly illustrated than in the financing of the war. We, as citizens, have hardly had time to catch our breath and see how great the service of the bankers is in these drives. When it is realized, the American people will say of our banks, practically all of them, what Charles Sumner, in the Senate of the United States, during the civil war, said of the National Bank of Commerce of New York, "they are patriotic institutions." This record, in financing the war, ought to be a satisfaction to every banker in the land.

It is the more significant for our theme to note that the attitude of the bankers in this war is no exception. We find the same loyal and patriotic service in the Revolutionary War and in the Civil War. The first bank established in this country, chartered by the Continental Congress in 1781, the Bank of North America, founded in Philadelphia by Robert Morris, gave its first great efforts toward holding up the hands of Washington and his army. The great work of Jay Cooke & Co. in the Civil War, in support of the Government, first in floating at par a \$3,000,000 war loan for the State of Pennsylvania, whose credit at the time was bad, later in having a \$500,000,000 issue of government bonds oversubscribed by \$11,000,000, after the regular government machinery had broken down in the attempted sale, and in 1865 again, when there was depression, in engineering in six months the subscription of \$830,000,000 for government notes. This work in the financial problems of the Civil War is a record in finance marvelous and inspiring. These are records for the banker to be proud of. A recent tasty pamphlet issued by the National Bank of Commerce of New York recounts still with great pride the part that their bank took in helping to finance the Civil War. In the same way, the anniversary folder of the First National Bank of New York gives prominence to the part played by that bank in war loans, and the fact that "during the year 1870 the bank handled \$780,000,000 United States government bonds, completing their receipt and delivery without error or loss.

I believe I may assure you men that the service of the bankers to the nation at this time will be remembered. It is a thing, likewise, which should give you the great return of high personal satisfaction.

In the days of reconstruction ahead there will be financial problems in the nations, gigantic beyond the world's experience. The financial skill and wisdom of the country will be needed. The reconstruction after the Civil War suggests to the banks the opportunity for service.

After the war, likewise, in the development of business, the opportunity will come to the banks for what, in effect, will be a public service. For example, we are to enter into foreign commerce, on a scale not known before. The results affect the business interests of every state. It means additional markets for North Dakota's products. For success our merchants and traders must not be handicapped, longer, by lack of American banking facilities in the trade centers of the world. It must be as easy for the American houses to meet terms and arrange credits as those of England or France or Germany. We, in this newer state, may feel that such a service as establishing banking houses in foreign countries is one to be rendered by the great banking houses with large capital. Whether the chance will come to the smaller bank to help, as we help with the Liberty Loan, I do not know. But, in any case, as members of the order, you want to

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intelligent
looking



young
people
as these?



They have
"made
good."



Others
are
preparing.



They are
the same
kind.



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appreciate in this situation a typical example of an opportunity for banks to render service of the highest order.

If we turn to our field of North Dakota, what sound banking principle can we lay down to follow? I accept as sound and of general application in banking, the opening sentence in the history of their bank issued by the National Bank of Commerce of New York, a year ago, as follows: "A bank must always be closely linked with the development of the community in which it does business. It is inconceivable that the right sort of bank should be prosperous when the community which it serves is unprosperous." This statement of principles they follow with the claim: "The whole history of the development of the Bank of Commerce of New York is a remarkable illustration of this principle. The growth of this city and of the nation has helped the bank, but the bank has been able to do its part in increasing the prosperity, not only of the city and state, but also, in many notable instances, of the nation itself."

I accept as sound, likewise, another statement of principles in the same booklet, as follows: "Banks deal in credit. Credit is based on confidence. Confidence is based on an intimate knowledge of men and their affairs. Consequently, the fundamental of successful banking is personal service and intimate mutual contact between the bank and its customers."

I do not know the practice of the National Bank of Commerce, but I accept their preachment, first, that the right sort of bank would be prosperous only through helping to make its community prosperous, and second, that the way to such service is through "intimate mutual contact between the bank and its customers."

May it not, then, well be the creed of the North Dakota Bankers' Association, that the prosperity of the banks is to be the result of the prosperity of the respective communities, and that to this end of common prosperity "intimate mutual contact between the bank and its customers" will be sought and maintained?

The first thing is mutual acquaintance, understanding and confidence. Let us underscore *mutual*. The late J. Pierpont Morgan, commonly regarded our greatest banker, answered before a government commission that credit is based on character. Character can be interpreted only by "an intimate knowledge of men and their affairs."

To this end I would suggest to you the added advantage and profit that would come from this meeting in having here, as invited guests, representatives of the various lines of business that you bankers serve,—the merchant, the manufacturer, the farmer.

The principle of mutual acquaintance and understanding is basic in all business. For example, the foreign trade of America has been handicapped because our merchants did not know, as well as foreign merchants, the people of the countries with whom they were endeavoring to establish trade. We have frequently not known intimately the customs and conditions of these people, and our merchants, not knowing the language as the foreign merchants did, have often tried to work through interpreters. On that account we have lost out frequently on minor details, such as packing and shipping, not meeting the convenience of the customers, and through the failure to understand their customs in regard to terms of purchase and credits.

If I needed anything to convince me of the practical wisdom of acquaintance between the banker and his customers, the proof was furnished me by

attendance two years ago at the great Banker-Farmer Conference in Chicago, where questions of mutual interest were discussed by farmers, agricultural experts, stock men and bankers of Chicago and New York.

It might be noted, in this connection, that an official organ of a Bankers' Association is called the "Banker-Farmer", the words being connected by a hyphen. Let me suggest that there is no more important work for the members of this Association than to lay in a stock of hyphens.

You bankers should make it clear through "intimate mutual contact", that you as bankers are not only interested personally in the people of the community, but that your business interests are vitally linked up with the business interests of the community. The real banker is a business partner of the people whom he serves.

If you have not been following this plan you may feel that the farmers will not co-operate. Note the attitude of the farmers in answer to offers of help in the coming harvest, as shown in a resolution passed, July 1st, at Niagara at a meeting of farmers from several countries.

The following resolution was unanimously adopted:

WHEREAS, It has been brought to our attention that citizens of towns and cities, namely the business men, clerks, craftsmen—are willing and desirous of being of all possible assistance in securing the crops, and, whereas, these citizens are willing to come into the harvest field and gather the crops if their services are needed, not primarily for the wages offered but as a patriotic duty, be it resolved, that we meet the business men half way and agree to make the best use possible of their services and pay them in accordance with their ability should their services be needed to save the crop.

The spirit of this resolution is contained in the clause, "be it resolved that we meet the business men half way." Those farmers are hyphen-makers.

Further than this, in our state a large number of your banks are essentially banks of farming communities. Why should banks not take advantage of the custom of the banks in all commercial communities of having a number of their customers take stock in the bank? I have an intimate friend who had charge of the work of organizing a new bank in Chicago. I saw him frequently while his work was in progress. It was comparatively easy to get capital from bankers that he knew and men that he knew but he explained that his effort was to have stock taken by men connected with business interests in the district where the bank was to be located. When the bank was started it had stockholders in all the lines of business represented in the district adjacent to the bank.

You men are all familiar with this principle and know its importance in banking. I need suggest simply that farmer stockholders would serve the same mutual purposes in our state that business men as stockholders serve in commercial centers. For example, a number of farmers of the surrounding community, stockholders in the bank, would understand and would make it clear to their neighbors on matters of loans, for example, that the safety of the depositor is an obligation with the bank, as well as the accommodation of the men who need to borrow from the bank. They will be in a good position, likewise, to give satisfactory assurance that the bank will do anything within reason to reconcile these two obligations and interests.

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Not only should the bankers command the full personal confidence of the respective communities which they serve, but the bankers of the state, this Association, should command general confidence, such that they would be among the first consulted in matters of financial legislation. The judgment of this Association or of broad-gauged, high-typed individuals of this Association should be known in regard to the qualifications of a man for bank examiner, or the qualifications of members of such a body as the bank guaranty fund commission and other officials who are appointed to do any kind of expert work relative to the business of the banks.

This Association should have been in a position last winter to be sought out by the legislators for expert counsel in reconciling the plans for buying seed with the provision for the securing of farm land loans. In the same way legislation has been up in the state on questions of taxation directly affecting banks.

I do not know what the experience along these lines has been in the state. I am assuming, also, that a large number of the members of this Association would agree with this proposition, but would feel that it was the fault of the politicians in years gone by, if the bankers have not had a chance to register their judgment in such matters. There are probably two sides to the question, but since I am speaking to bankers, I would suggest that I learn certain facts from the members of your association which would help me to understand why bankers may not have been consulted, as much as they thought they should have been, in cases of banking legislation. This information, to which I refer especially is to the effect that the big outside correspondent banks have as a rule been regarded as strongly and aggressively opposed to all consideration of banking legislation. The opposition referred to was registered against the establishment of the Postal Savings banks, the Federal Reserve banks, and the guaranty laws of any kind, and the Farm Loan banks. This has given a general impression that the interest of the bankers in legislation is opposed to the interests of the people in general.

As I write this paragraph about banks opposing bank legislation, I note this news item in my evening paper:

Milwaukee, Wis., July 9.—Wisconsin State bankers are opposed to bills now before Congress which provide a guarantee fund for depositors and give national banks authority to act as trustees. Both bills

state bankers believe, will seriously interfere with their business.

An effort will be made at a convention of bankers in St. Louis next week to combat the passage of these bills or to amend them.

The banks must consider such legislation as affects them. The differences in regulations and limitations of the different kinds of banks, national, state, savings and trust companies, should be adjusted. The banks must do this, however, in a big way. It hurts the confidence of which we are speaking for this opposition to legislation to be made in such a way as to allow the impression that the bank's customers are not being thought of at all.

I say again that I am not arguing the merits of the case, as to whose fault it is, if bankers are not consulted, but I want to point out to you, as a fellow citizen, the simple fact that you must become better acquainted with the people of your districts and of the state and overcome this feeling that your interests are not identical with theirs.

As I infer, from the letters received from various bankers, these laws, whose passage was opposed, are now taken as a matter of course, and some of them, at least, heartily approved. Take the Farm Loan Law for instance. A banker might naturally be somewhat anxious about a law like that on account of the unlimited amount of money available and on account of the rate of interest allowed. In regard to the rate of interest, it is an attempt to give the farming industry the benefits of the same sort of rates that commercial institutions have. In regard to the amount of money, there are sufficient limitations and restrictions so that there is no danger but that all the money available in our banks can still be used at reasonable rates of interest, looked at from the banker's standpoint.

I can remember when a boy, even in my home state of Indiana, of the burning of some of the first self-binders, by men who were dependent on work in the harvest fields, thinking that they would be displaced in a short time by these self-binders. The actual results were, when the readjustment was made, not fewer men employed but more wheat. Certain readjustments were necessary and perhaps with certain losses and inconveniences in the transition period, but in the end it meant the same men were employed, and, through machinery, to render a larger service.

In the same way, when we look at the enormous amount of development work needed, in opening up

all the land of our state for cultivation, there is no danger of too much money. Your banks may have to accept from 6 to 8% interest on the one dollar you have been loaning instead of, in some cases, 10 or 12%, but you will be able to have four or five dollars working instead of the one, in the larger business of the state incident to this development.

If you hold up to yourselves as bankers the clear severe standard of rendering service to your communities, you will have the same feeling toward your farming districts that need more money than you can furnish and at lower rates and on longer time, as the family physician feels toward a patient afflicted with a disease that he is not able to cope with. His chance of service in that case is to counsel and advise the patient and arrange for him to go to that hospital in which he will be under the best medical skill anywhere available, for the ailment.

But I am not arguing primarily for any given law, but for a counsel table on business legislation at which will be gathered the bankers, the manufacturers, the business men, the farmers, and the legislator, with sincere consideration for the common good.

There are some points further of misunderstanding and prejudice that will have to be cleared up before we can come to the council table together.

If I were speaking to the farmer, I should say that there are some things about which he ought to change his notion and his attitude. In the first place, in regard to borrowing money, he ought to remember that the money is not the bank's alone but the money of depositors as well. The banker cannot loan it as a matter of personal consideration or good will alone. He is under obligations to protect depositors and stockholders as well. The farmer stockholder is my suggested remedy for making this point clear.

Again, a good many farmers, not familiar with commercial usage, do not appreciate the importance of meeting obligations the day they are due, as is expected in business, but wait a few days or possibly weeks until a better time to market their wheat. The remedy is a general one, coming through our "intimate mutual contact."

Again, they will appreciate, when they come to understand from the banker's standpoint, the question of notes and securities. The banker may have to use the notes received, in turn, as collateral. He, in that event, will have to rate farm mortgages as they are rated on the market. That point will be understood if the cards are actually put on the table.

On the other hand, you bankers on your part will have to recognize the cause of certain suspicion and prejudice in the minds of the public. I am glad to know that this is understood by a number of the bankers from whom I have received letters. Every one of you bankers in this Association is, in general, held responsible for the record of any or all the bankers in the Association, to say nothing of outside bankers. Part of this record in a pioneer community is the ground for some of the prejudice.

Let me illustrate with three or four instances that have come to my knowledge. First, a member of this Association recalled, with a good deal of reminiscent satisfaction, a transaction in the way of a loan made by him when he first started in the banking business in the state. The applicant for the loan was one of the directors of the school district. They wanted to do certain work on their school house in the summer and needed a loan of a few hundred dollars for that purpose until the taxes were paid in.

Such a note was more secure than a note on the bank itself. The banker tells how he negotiated with the parties until he learned what they had been accustomed to do and to pay and finally with much apparent reluctance, he agreed to loan them the money, as long as they represented his own school, at a rate of only 35%.

Again, another instance is the case of a banker that loaned a man four hundred dollars to buy a team, for starting his farm work. It was clear that the man had to have the team. Accordingly the banker was free to charge him any rate of interest that he pleased and to tie him up to the most iron-clad contract. In the course of time the banker had six hundred dollars in money on the deal, as interest and part principal, and, incidentally, the team to boot, to meet the terms of the contract.

Again I learned incidentally that there was still ranking somewhat in the memories of some of the professors at the University the thought of having paid the banks a rate of 12% on the state warrants.

I remember when I was in college one of the old graduates was having the room of his favorite professor beautifully decorated. One of the details I recall now, which had no previous meaning to me at the time, was that this young man had made an enormous amount of money in a comparatively few years, loaning Eastern money out in Dakota.

Along with such instances as these you might couple in general the practice of charging the so-called commissions in loaning money. In some cases these commissions were doubtless justified, and may have been reasonable. In a great many cases in a pioneer community, the commission is just an additional form of taking advantage of a person who can't help himself at the time and sometimes, likewise, it is simply a method of evading the law on interest rates.

I have no thought whatever of making up a case against the banker, but it is perfectly clear, to any impartial observer, that the impression of these practices, of which I have given illustrations, will have to be overcome, before the bankers of this Association can command the degree of confidence and good feeling which they need to command to do their largest service.

If you feel that this impression does not obtain, let me quote a few statements from the preface of a recent work on banking, the preface being written by the editor-in-chief of the series:

"In Europe the average man looks upon the bank as a benefactor. Through its agency he secures capital at low rates for his business. In America the bank is too often regarded as a necessary evil, certainly not with affection." (National Social Science Series—Banking—W. A. Scott.)

I might add here that confidence is more essential to banking than to almost any other line of business. We may lack confidence in the prospect of rain for our crops but the confidence or lack of confidence does not affect the rain's coming in any degree whatsoever. We lack confidence in the methods of a bank, we stop doing business with it, when we can. We lack confidence in the soundness of a bank, and fear that it will go to the wall, spread that fear among depositors and the bank is likely to go to the wall.

Confidence is a thing banks must have, to do business, with any success and satisfaction. Confidence in the safety of the banks was put beyond question in this state, this month, by a law which was planned, doubtless, for the benefit of the depositors. This will illustrate that what actually benefits the customer, benefits the bank. The confidence of the



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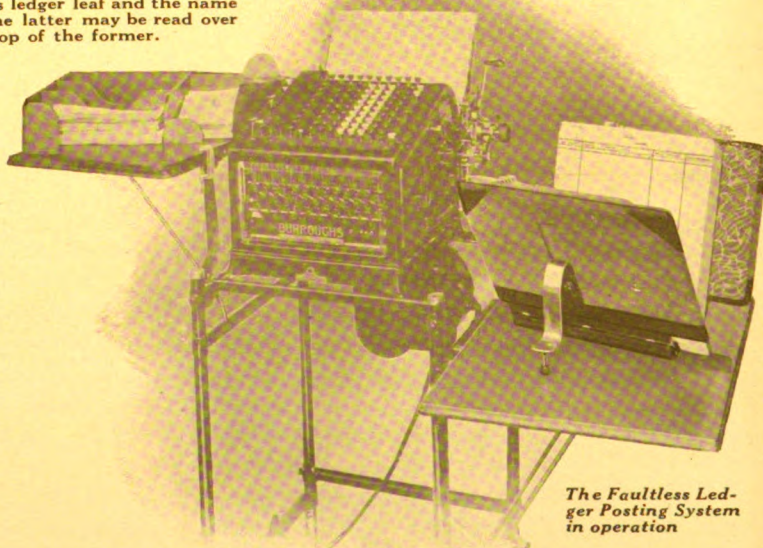
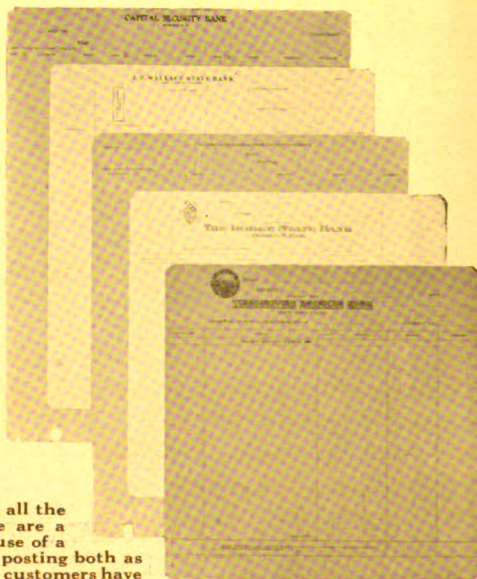
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We have a limited number of these cases of 25—and orders will be filled as they come in.

Just drop us a card and tell us to ship you a case of boxes as described in the Convention Number of the North Dakota Banker.

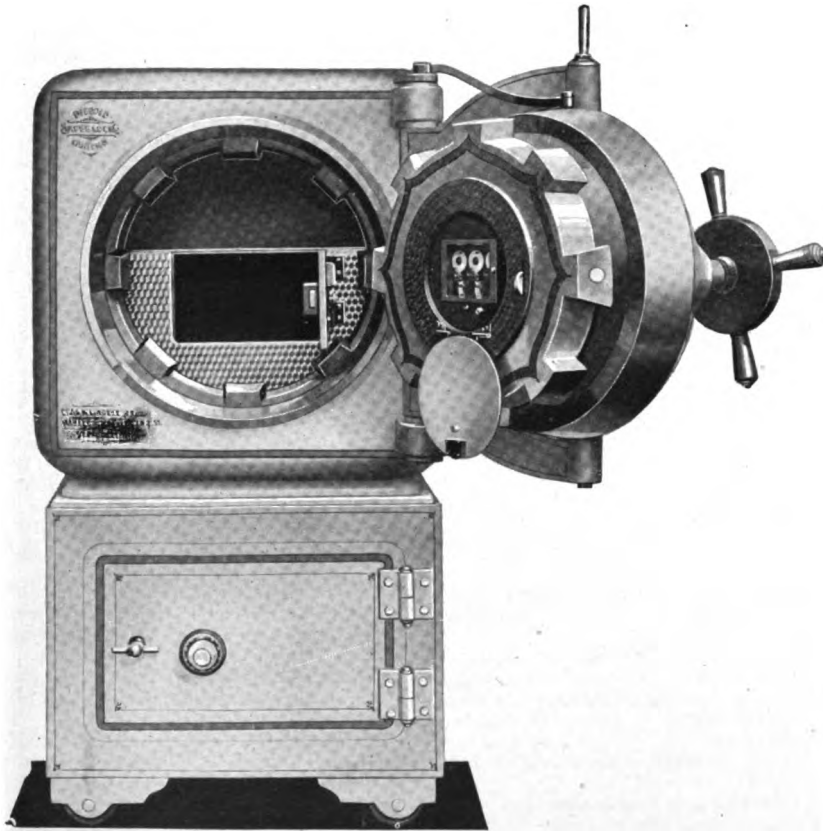


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depositors, in turn, will increase the bank's deposits, and thus benefit the bank.

This law guaranteeing deposits gives our banks an opportunity to gain confidence in another direction, likewise. If I was correct in my finding that the banker is looked upon with some suspicion with reference to banking legislation, the banks will gain through their attitude toward this law, as helping to carry out laws about which you were in doubt. You have had, somewhat generally, a good deal of misgiving about the effects of state guaranty. In spite of that, seven hundred of your number were reported as qualifying before the law went into effect.

This Association has further opportunity for service, in connection with this law. The fear that many of you have is that, with deposits guaranteed by law wild-catting will be encouraged. This Association ought to be the strongest influence in the state toward the observance by all your members of standard banking rules and practice. You are in the best position to formulate the kind of reports, requirements and inspection to keep the practice of all your banks up to standard. That would be a distinct service. In that case the banks would have a clear advantage from the law, in the way of increased deposits.

The enjoyment of confidence is a condition of your being able to render the largest service. Routine, every-day banking is useful in the community and necessary. Through personal acquaintance and a full understanding of the interests and needs of the people of the community, it may be done in so discriminating and hopeful way as to be an encouragement and support to the whole community.

There is likewise a service bigger than this. The banker, is, I find, in this state as elsewhere, a general business counselor in the community. That is good. The service of it is measured by the degree which he really knows his neighbors and is genuinely interested in their welfare. You should hold yourselves to go further than this. You should take the initiative and be aggressive leaders in plans for development and improvement.

For example, in our state in 1910, 36% of the land was not in farms at all, and 55% of its land was not under cultivation. It might well be a problem reported on at a meeting of this Association, how to bring settlers onto this land. Think of the service to the state for you to be instrumental in increasing the farming area in the state by thousands of acres.

California, for instance, is planning development similar to that needed here, by the aid of the state. Similar work is done in Canada and several foreign countries. You would render a larger service, in deed, if you should work out the best system yet devised of developing a state's uncultivated land areas.

Again, in two seasons, you could gain first place in your farming community, if you would back the farmer to the extent of your financial ability and resources to hold his grain and his stock for the added profits of the best market of the year.

In turn, with the increasing prosperity of the state and the people of your communities, your banks will increase in prosperity as a matter of course and as a matter of right.

Our thought is not the curtailment of the prosperity of our banks, rather of increasing prosperity; at the same time, a prosperity based on the highest possible service.

I can remember the starting of the bank in my

home village. My old grandmother took out as large a block of stock in that little bank as was allowed a single subscriber. As was her custom, she explained to us grandchildren, so far as we could understand, what a bank was for. It was to save people from having to go to the county seat, when they needed money, and the people, who needed money worst, could get it at home, when they couldn't get it from strangers. It was to be the home bank. Through these years, it has been the home bank. All the time it has done the work it set out to do. It has been the back bone of the business community and the surrounding district, in season and out of season. My grandmother's stock went to her children and is now in the hands of her grandchildren. It is today, as always, gilt-edged property, for the reason, that the little bank has given the service.

That is the kind of bank, I know personally already, that we have in some communities in North Dakota, doubtless, in most. The work of this Association is to see that the banks in all our communities are that kind.

I feel personally interested in your business, as well as interested as a citizen. Your work is capable of unique service in our younger state. Any assistance that we may be able to give you from the University you may be sure will be gladly given. Business and commerce is a field we are covering in a modest, but solid way. We recognize this field has a larger claim upon us.

Two young men trained in our business department, already have been picked by the largest bank in the country for apprentice work on salary; the National City Bank of New York.

As I am trying to advocate service to you, we at the University are recognizing and accepting the responsibility for service to the state, to your business and to every business interest of the state.

The president of the great bank, to which I have just referred, the National City Bank, President Vanderlip, when he went to this bank as vice-president, worked out a number of new departments, which have added greatly to the strength of that great bank. If I may suggest a department for you to add or strengthen, let it be the hyphen department, to connect up the bank and its customers, to the end of still greater service. (Applause!)

President Green: I am sure we all feel very grateful to Dr. Kane for the able address that he has given us and in behalf of the Convention I wish to extend thanks.

You people who live in the Western part of the state, I have got some good news for you. It is a report from the weather bureau. The report this morning shows the rain-fall in the last twenty-four hours as follows: The heaviest at New England, .56; Bismarck, .22; Dickinson, .40; Minot, .30; Williston, .20; Bowbells, .28; Fessenden, .15. (Applause.) The rains are working east and rain is predicted for the eastern part of the state (Applause.) It is now raining at Janestown.

We are again favored this morning by having with us another educator of the Northwest, the superintendent of the schools at East Grand Forks, who will speak to us for a little while on Miltray training. I take much pleasure in introducing to you Prof. Lurton, of the schools of East Grand Forks.

Prof. F. E. Lurton: Ladies and Gentlemen: I appreciate the opportunity to be with you today. I appreciate it because it gives me, a man too old to be accepted in the army, a chance perhaps to do

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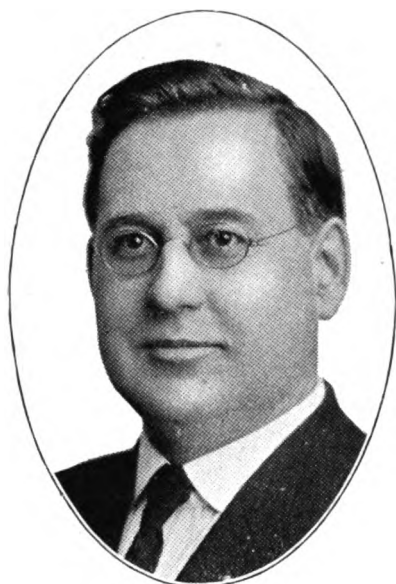
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PROF. F. E. LURTON

another bit for the country I love, (Applause) and for the country—and this surely gives me an added interest, in whose service one hundred of per cent of my family are now in the khaki uniform. I am glad especially to come to you, the bankers of North Dakota, for I have come to discover in the years of my life that the banker has become the leading citizen of his community. When I was a boy if I had occasion to speak to men who might in turn speak to their communities throughout a great state like this I would have coveted the opportunity to speak to all lawyers, but that time is past. I do not say it as flattery—the occasion is too serious and the message I am trying to bring you and the people is too serious and too vital for one to condescend to flattery. I merely speak the conviction that I have, and it is my hope today in coming here and talking to you for a little while—although a school-master scarcely knows what a little while may be—on a subject that you may be interested in, and talk over with the men and women of your communities.

As bankers you are men who deal with the future. You are men who look ahead, and I have discovered in an honest effort to promote this great work for world-wide democracy that the bankers are not merely money-lenders and money-getters, but they are men of vision, looking to the future for their community and in the aggregate for their state and their nation. And the plea that I wish to make today is a plea that we may use in the future some of the sad and humiliating lessons that we, the American people, have learned in the last year or two.

America is at last awake. We have slumbered for more than a century, a powerful giant whose strength alone we supposed was sufficient to keep everybody at a distance. Alas, what a sad awakening we have had, and how magnificently we have awakened to the duty that confronted us, to the necessity that we face to do something for our own people and for all the liberty seeking peoples of the world. The world and the world's thinking has

been revolutionized in the last four years. Old ideals and standards have been broken down and have been replaced by new and more beneficent ones. Old barriers of race, religion and caste have been melted in the fierce crucible of this war. A new alignment of nations, organizations, and individuals, has been made. Those nations that are to survive and continue to play a progressive part in the rebuilding of a disorganized world must take cognizance of the fact that the old order changes. The new may be better or worse according to the control exercised over the factors entering into it.

We are chiefly concerned with the part that the United States is to play in the world drama upon which the curtain is now rising. It depends upon each citizen whether our democracy justifies the promise of its hundred and forty years of preparation by playing a leading role, or whether it contents itself with a minor part, now and hereafter. Which shall it be? Whichever it is will be largely determined by the preparation we make. Nothing comes about by blind chance. Vital results come from vital planning. Three forces rule the world, individually and grouped into organizations. One is conscience, that indefinable inner prompting which, rightly cultivated, leads to progressive right doing. It was a well-balanced national conscience that led the United States, after the Boxer outbreak in China had been placed under control, to return to China the ten millions indemnity assigned to us, stipulating only that it be used to educate Chinese youth, in America, to train them for the service of China at home. It was enlightened national conscience that led the United States to assist Cuba in throwing off hateful yoke of Bourbon Spain, asking in return not a cent, only the satisfaction of seeing a weak neighbor-republic live and flourish as a result of the privilege of self-determination of its principles of action.

The second force that governs the world is an outer one. It is that which was referred to in the Declaration of Independence as a decent respect for the opinions of mankind. It is public opinion that holds men and nations in check when the force of conscience is weak. Ordinarily it is the basis of much good, private and international conduct. It lies at the basis of humane rules of warfare. It forbids nations to wage war on non-combatants; it forbids the use of dum-dum bullets, the poisoning of water supplies, the destruction of property or life unnecessarily—it forbids these things to all nations—all nations but Germany, of course. It was not strong enough to control Germany's actions in this world war, but God grant it may be strong enough to make her and her citizens repent some day in sack cloth and ashes,—(Applause)—in the years to come for the deliberate inhumanity of her conduct in the present struggle.

When these two motives—conscience and public opinion—prove inadequate we must fall back upon a more primitive and fundamental controlling power and that is force, that ultimately governs the world, plain brute force. In the last analysis the decrees of courts and of governments find their sanction in brute force. The force of a whole nation finds its embodiment in its army as that of a court does in the sheriff's posse. However, we no sooner mention an army than our friends, the pacifists, bring before us the great destroying spectre of militarism, the man on horseback supplanting the man at the polls. I am perfectly frank to confess to you, gentlemen, that probably two years ago I would have entertained some such feelings. That is



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DEPOSITS (JUNE 29, 1918) \$191,000,000

one of the reasons why I am here today, one of the one hundred and five millions of Americans that I feel have awakened, that I see the world not as I dreamed the world to be, not as preachers and teachers led me to believe the world was, but the world as it is, and the naked, inhuman, land-lusting power and desires and purposes of a great nation—the greatest from a military standpoint that perhaps has ever been, and that view is brought home to my conscience enough to cause me to say, "God bless you" to my two boys when they went into it, enough to make me realize that if America has any reason or excuse for its existence it is that it may strike a death blow to that thing and plant upon its grave something that is worth while cultivating.

Until public conscience has advanced far beyond the present condition, as this war conclusively proves, no nation can be safe or maintain its dignity and contribute to the well-being of the world, unless its moral purposes are backed by an adequate army. Disarmament and perpetual peace are noble ideals yet to be made effectual. Until that day comes, which none now living are likely to see, let us not deceive ourselves and live in a fool's paradise. Rather, let us be practical, recognize facts as facts, and forcefully participate in the world's affairs. A large army and a trained citizenry are no more a part of militarism than a well-equipped fire service is an agent of incendiarism. Either may be diverted to a wrongful use.

Militarism is an ideal. The nation which, like Germany, glories in war, will use a military organization to turn the world topsy-turvy. That nation, like the United States, whose ideal is peace, will use

a trained citizen-soldiery to insure peace. If a man of wrong ideals, like a thief, carries a gun, it means murder, ultimately. If a policeman, whose ideals are different, carries a gun, it means safety. We can safely assume, too, that the United States of America, the first republic of any territorial magnitude in the history of the world, a vast, polyglot nation of over a hundred millions of people, rich in resources and equally rich in future possibilities of growth, must play a major part in the world's affairs. To much has been given; of us much will always be expected. We cannot always dream; we must act as well and to act effectually we must possess a concrete force corresponding to our size and importance. Personally I consider it self-evident that in the future, playing our part on the world-wide stage, we must have an adequate army. There are two ways of obtaining one. The way this nation has chiefly depended upon in the past has been the volunteer system. That plan has always failed. Bryan's glowing declamation that a million men would spring to arms overnight was an irredeemable dream. They did not spring to arms and there were no arms to spring to.

Let us go, for a moment, into the history of our volunteer armies, and in doing so let me recall to your minds that the United States has never yet engaged, single-handed, in war with a first-class power free to devote its entire strength to the war. Spain and Mexico and the Southern Confederacy were not great military powers. England, in our war with her, was concurrently waging wars in several other lands. Yet under these restrictions the volunteer system has always broken down, to be sup-

plemented by conscription. In the American Revolution the leading states of Massachusetts and Virginia were forced to resort to draft in 1777, or only two years after the opening of the Revolution. "During the course of that war," says former Secretary of War Stinson, "the patriot armies shrank in number from 89,000 in 1776, to 29,000 in 1781, and our cause was only saved from failure by the timely intervention of the French fleet and army." (Applause.)

And what a source of satisfaction it must be to every American citizen to realize that today more than a million boys are on the soil of France (applause) that a million more are in our training camps and that a million more are on the available conscription lists, at the end of over 125 years, to go back to the land of LaFayette to show that republics are not, as has been said, ungrateful, but that that debt, with its accumulation of interest compounded through long years, is being paid back today by America's young manhood's offer of its life. (Applause.)

The same authority I have been quoting says that in 1812 the volunteer system broke down in so many and varied ways as to make that war the most conspicuous example in our history of how not to carry on military operation. During the Civil War both sides were forced to resort to the draft—the South within a year and the North shortly thereafter. Even in our little war with Spain the full quota of volunteers called for by the President was never obtained.

The demonstrated impossibility of raising enough men for this European war is so apparent one need only to mention it to prove the utter fallacy of the claim that we can raise our armies by that method. Let us pause at this point to recall how modern warfare differs from that of a half century ago. Then an army of one or two hundred thousand men was considered almost too vast for one commander to have under his control, and yet today a hundred thousand or two or three hundred thousand men is too small an army to constitute a decent reserve. Where thousands once constituted an army millions are now required. In those days the armies fought the wars for the nations. Today a war is a great engineering and economic affair, calling not only for vast armies, vaster than we ever dreamed of, in the field, but every man in the field calls for some twelve to sixteen men behind him in productive industries to support him at the front. Today nations fight nations, not armies armies. And that is one of the reasons why I am before you today, to plead for a policy of universal training, that every citizen of the republic may be a soldier, ready and willing, under the training he has received, to stay at home and do his bit, as many of us are doing now, and to do it with a full consciousness that he is an integral part of the fighting forces of the nation.

Not only is conscription the only way to raise an army but it is unfair, gentlemen, for us in the future to repeat the error of the present, to call into the most exacting work that a man can do and take the men without training, as we have called our boys in this present war and as we have sent them to Europe, untrained. It is the duty of every citizen to stand ready to give all that he has for his government, and it is unfair for a democracy to ask our citizens to do that without first giving them the proper preparation so that when they answer the call and step into their places they should be experienced and not inexperienced men.

My time is too short and I should abuse your patience this morning if I went over all the things which I have here to cover. It would take me an hour or more and I shall attempt somewhat hurriedly to put before you the need of trained men and the duty of a democracy to train its men. I still insist that men of peace must be prepared for war. As a school man I well know that the boy is always in trouble on the school grounds who lacks the courage or the skill to defend himself, and the boy who dares not or will not defend himself is constantly in trouble. I wish to emphasize that military preparation does not lead to war. Whether it is employed in war or not depends upon the purpose for which it is given, upon the manhood that is being trained, and upon the ideals that are being put before those people. You can train a man to believe that the primary object of his life is to fight, and you have a fighter. You can give a man the same training and teach him that it is simply for his own defense and for the defense of others who are helpless, and that man will never be a fighter but a gentleman, able to defend himself, and generous in going to the defense of others. I cannot conceive of anything which would be better for our American boys than the provisions of the Chamberlain Bill, that at the age of eighteen or nineteen our boys shall be taken from their homes to these great cantonments which we have ready and there have at least six months of military training under competent officers. This is not a problem for the high schools. We have an instructor—a man disabled for military service, coming to give military instruction in our schools. In this connection let me call your attention to the fact that Germany does not give military training in any of her public schools. It is one of the very things that we should aim not to do. Not to exceed ten per cent of the boys in the American schools ever remain in the schools until they reach an age where military training would be effective, and to put it in the schools only would be to create another class and to give it to the privileged few. If there is any one lesson that universal military training should instill into our people it is to bind together our people in a splendid, actual democracy, which has existed up to this hour only in the dreams of those who dream. (Applause.)

One of the most splendid things that would come from this, from taking the boys of the rich and poor, from the north, south, east and west, boys from long lines of American ancestors dating back to the Mayflower and boys whose parents came over last week in the steerage, from every nation, every town, every social condition, every physical and mental condition of young manhood in this country—take and mix them in a great camp where millionaire's sons does the dirty work while the poor man's son gives him the orders that send him to the task.

I had a little chance to see how that worked out. I spent two days in Camp Dodge with about thirty thousand of these boys last fall and I saw them there in camp: boys that could only barely speak English, boys that I know that were poor that were in my son's company, boys that had big fortunes—who could buy up several of your banks and run them—and my son was a sergeant and he sent these young men of fortune out to pick up cigarette butts, and there was no grumbling—they went and did it. I heard a rough fellow from Oklahoma say of that fellow picking up cigarette butts from the grounds within a certain distance—I heard him say of him: "He's a good sport." And I have no doubt that if

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you had asked the boy who was picking up the cigarette butts about this cursing, swearing, rough-neck, as the boys called him, and he was that to start with, I have no doubt those rich young fellows in that camp would call him a good sport too, for one boy apologized to me for some of the rough language coming from that young fellow from Oklahoma. He said, "We are gradually taking it out of him. He uses rough language but he is in our company and he has a very good heart." And one of those men said to me, in camp, "That is the best man in our company. If one of your sons wanted to go down to meet you and didn't have a clean shirt to wear that rough-neck would have pulled his shirt off and said 'Take it and I will go to bed until your Dad goes home.'" And my own son said to me, "I am sorry that we have got a fellow that talks like that, but let me tell you something; I prize him most of any man in this company. He is a rough fellow but everybody likes him, and," he said, "there isn't a man in this company that dares say anything against the 350th Ambulance Company or he has got a fight on his hands. He says this is the best company, and this Sanitary Train is the best Train, and America is the greatest nation in the world, and he will fight and die to prove it any time and with any man." (Applause.)

"If this company gets over there and gets into trouble it wouldn't take one instant's hesitation on that man's part," he said, "but he would go into the very jaws of hell and bring a comrade back." And if a military camp and a military life can make men feel like that of each other, the rich of the poor, the native born of the foreign born, until they all

declare each to be the best fellows, and their company to be the best company, and the camp to be the best camp, and their country the best country. then I say for God's sake, gentlemen, let's instill that spirit into every American boy at the earliest age, no matter what it costs, no matter what it costs, for that is the ultimate ideal of this American Republic of ours and we have existed a hundred and forty-two years and have done less in a hundred and forty-one years to cultivate that real spirit of patriotism which will disregard race, religious and social condition and create a bond and make a nation of young manhood that will stand together through thick and thin—and we have done more in our cantonments in one year to bring about that highly desirable thing than we have in our hundred and forty-one years of previous national existence. (Applause.)

And the benefits that these men get from the life that these boys are leading in the camps—I mean not only the result that would come to their physical state—you have seen, perhaps,—I have, the stoop-shouldered, white faced, soft handed boys that have gone into these camps. I was on the train with five hundred of them in Minnesota, and six weeks after they have been in camp they are another set of boys, and no matter how long Kaiser Bill holds out in his idea that he is going to run this world, or no matter how many millions of boys went to Europe, no matter how many die of wounds or sickness, there will not be a loss in manpower to this country, but so beneficial are the results to the health of the boys that come through, with the boys that survive, that the total years of their life due

to the training will be a bigger total than the total number of years that they would all have lived if they had stayed at home, and there are good authorities that are estimating an increase of twenty-five to fifty per cent in manpower due to the training given our young men to prosecute this war. That is something worth doing.

I have seen them by the dozens who have gone into the camps and have learned certain things that were necessary to them. I have a case that comes very close home. A boy of my own, only twenty—he would not wait for the draft—I am proud as Punch that my sons volunteered—he went into camp and was sent home the other day, the doctors said with tuberculosis. I presume he has it, but what a mighty fine thing it was that he discovered it in time, we hope, to be cured; and it is all due to these boys going into these camps that they have had defects pointed out to them, many of them defects such as can be trained out, and are being trained out in camp, or are sent home to have them trained out. There is going to be an increase in the health of the young men of this country. No matter how long the war or how great the loss, there is going to be a gain in man power.

A word about discipline. How many of you know how undisciplined the average American youth is? If you don't know swap jobs with me and you will know. It is one of our serious defects. An English gentleman speaking before our National Association said, "the notion prevails that there is less discipline in America than there is in England; the idea is false, but in America the parents obey and in England the children obey." (Applause.) I see that gets pretty near to some of you.

One of the splendid things that would come from universal military training, and if it is not universal it is not worth very much, will be the discipline that comes to the men. It is estimated that at least fifty per cent of the juvenile crime would be eliminated by proper training of boys under strict military conditions. That is a thing devoutly to be hoped for. From that discipline there comes not only that kind of training which makes a man refrain from violating the laws of the country but teaches him to control his body and his mind. I entertain it as a firm conviction that the mental growth of every boy in the army has been greater than the growth during any year in his school life. The fine outlook they have upon life, their sense of duty, the recognition that it is all right to salute an officer, to entertain respect for a man whose position is above yours, and that, too, well knowing that he recognizes their essential worth and that it no degradation to you at all but is respect for position. That is not autocratic—that is entirely democratic, and we find these boys becoming self confident and being trained in their muscles as well as in their minds, and gaining things that are worth a great deal to them.

Now, gentlemen, I have talked too long, and I haven't said half of what I would like to say. I have just one thing more and then I will give way to somebody else. It is this: We are, as I have said, a nation of a hundred and five millions of people. I don't know that there is a nation or race under the sun that is not represented by some of its members here, and they are brought in by the millions through our ports. We have thrown open our country and said welcome, and yet coming from lands where ideals were different, where men were held in subjection, where self-respect was not highly esteemed, and a slave like attitude was prized,

men who did not speak our language, who knew nothing about our system of morals—we have taken them all in, and in during the seventy-five years since this flow of immigration has been coming to this country we have taught these people nothing as to what this country was. They landed here and found the chance to make money and nothing else. Their minds were uncultivated as to what democracy meant. They seldom saw the American flag, and did not know what it stood for. In God's name did you ever tell any of them anything; that they ought to be loyal to America—have you ever taught them loyalty? Did you ever say to them that there is this in this country that you ought to respect America, the world's greatest democracy; that it stands for this and this? I charge it back upon you, who were born in this country, that if there is a lack of loyalty on the part of the foreign born the fault is that of the teacher. So I am here with you this morning to plead as best I can that if this seems reasonable to you you go back home to your several communities and create as far as you can a wholesome public feeling favoring universal military training of the boys of the United States along in their later teens, so that they may be physically sound, mentally well balanced, loyal and sympathetic at heart, and so that all kinds and classes may mix and mingle and each learn that the other has good qualities as he has, that he is an American man, just the same at heart, regardless of wealth or social position. That they are all American citizens, proud to live under the Stars and Stripes, all taught what that flag stands for, what it does stand for today throughout the civilized world, that flag—and I may say almost that flag alone—stands today throughout the civilized world to all liberty loving people as the last hope of freedom. (Applause.)

* * *

President Green: Gentlemen, I know you all feel as I do—that we are greatly indebted to Prof. Lurton for coming up and delivering such a stirring address, and we want to extend to Prof. Lurton the thanks of this Convention for the address.

I have a couple of telegrams here which I wish to read at this time:

New York, July 11, 1918.

W. C. Macfadden, care Lewis & Clark Hotel,
Mandan, North Dakota.

Personal greetings to officers and all present at this convention of the North Dakota Bankers' Association. These are times when our organization should stand shoulder to shoulder for mutual benefit. Sorry I cannot enjoy your various sessions which I know will be interesting and profitable. Glad that President Hinsch can be with you.

FRED E. FARNSWORTH.

W. C. Macfadden, Secretary,
North Dakota Bankers' Association, Fargo.

Regret extremely that it will not be possible for me to attend your Convention. Please extend my greetings to the members of the North Dakota Bankers' Association, and express the hope that the meeting may be a success in every way.

C. A. HINSCH,
President, A. B. A.

President Green: We are sorry that President Hinsch is not with us.

I have another telegram here from Mr. Pickett of Leal. Mr. Pickett is the vice president of the State Bankers' Section of the American Bankers Association in North Dakota.

Leal, N. D., July 12.

Secretary W. C. Macfadden,

North Dakota Bankers' Association, Mandan.

I have just received the following message upon which I wish the State Association would take immediate action. "The National Supervisor of State banks at Hot Springs in May passed a resolution favoring the organization of a National association of State banks, at a meeting to be held in St. Louis on July 15th, and requested bank examiners to lend encouragement to such organization. In view of this we suggest your state supervisor of banking and delegates to St. Louis Convention that the State banks of the country are now represented in the State Bank Section of the American Bankers' Association with a membership of eight thousand two hundred and sixteen; in the Trust Company Relief with a membership of one thousand four hundred and eighty-three and the Savings Bank Section with a membership of two thousand five hundred three, the total membership named constituting sixty-six per cent of the American Bankers' Association. The Federal Legislative Committee of the State Bank Section was instrumental in securing amendments to the Federal Reserve Act permitting state institutions with assets of approximately six billions of dollars to enter the system profitably and it would appear that the influence of state institutions would be materially increased by working through these sections of the American Bankers' Association already in active operation rather than through a new organization with a membership of influence unknown. E. D. Huxford, Pres., Geo. Allen, Sec'y, State Bank Section, A. B. A."

P. A. PICKETT.

Gentlemen, what is your pleasure with reference to action on this message from Mr. Pickett?

Mr. J. J. Earley: Mr. Chairman, I do not believe that North Dakota will be benefitted—that the state bankers of North Dakota will desire any such organization. What motion should be made I cannot comprehend from the long message that was read. I move that the message be referred to a special committee of three to report at this Convention.

Motion seconded. Motion prevails.

Mr. Green: That committee will be composed of state bankers, of course. I will make the appointment before adjournment. I will appoint on that committee the mover of the motion, Mr. Early of Valley City, and ask him to select two other bankers to act with him, and report this afternoon.

There is nothing further to come before this Convention. It is now five minutes to twelve. We will take an adjournment until 2:00 o'clock. I want to ask you to be back promptly at 2:00 o'clock, because we expect Mr. Wold and Mr. Rogers to be with us this afternoon, and we have a great deal of business to transact. We now stand adjourned.

July 12—Afternoon Session.

Meeting called to order at two o'clock, President Green in the chair.

Mr. Green: Gentlemen, it is well after 2:00 o'clock, the hour for starting the Convention and while there are not very many of us here I do not think it is well to delay the meeting longer because we have a very full afternoon's work. It will take all the afternoon to get through with it, I am thinking, so if there is no objection we will open by taking up some of our work until some of the speakers come. We will now take up the report of

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FARGO - WAMPETON - MINOT

the members of the Executive Council of the American Bankers' Association.

(Report of the North Dakota members of the Executive Council of the American Bankers Association read by Mr. Macfadden.)

Report of Executive Council Members, A. B. A.

Your members of the Executive Council of the American Bankers' Association respectfully submit the following report:

The forty-third annual convention of the American Bankers Association held in Atlantic City, N. J., during the week beginning September 24th, will no doubt go down into history as the greatest war convention of America's mobilized banking interests. The big question of the convention related almost exclusively to the financial conduct of the war. How to co-operate with the Government in the successful prosecution of the struggle in which this nation is now engaged, was the question uppermost in the minds of the assembled bankers, and, as the program called for an exhaustive discussion of the country's war policies by some of the greatest living authorities on war finance, it is not surprising that the convention in point of attendance was one of the largest if not the very largest, in the history of the association, the number of delegates being estimated at about 3,000.

The first regular business session of the Convention was held in Young's Million Dollar Pier on Thursday morning; the meeting was called to order by P. W. Goebel, president of the Association. Following the invocation, addresses of welcome were

delivered by the Hon. Walter E. Edge, Governor of New Jersey and the Hon. Harry Barchrach, mayor of Atlantic City. After responding to these felicitations, President Goebel delivered his annual address, which was a masterpiece from the standpoint of loyalty, and in the interest of the American people, urging that every effort and energy by all the bankers of this nation be put forth for the successful prosecution of the great world's conflict, also pleading that every financial institution of this land actively enlist in the cause of financing this Government in this crisis. There is only one source from which this Government can get money, that is, from the people. The only way the people can produce the funds with which to supply the Government is by thrift. The financial aid to this Government should be given by all classes of this country in the ratio of their possessions and ability, regardless of vocation or profession. These are a few of the requests made by the convention.

The financial representation of this convention aggregated about sixteen billion in capital and resources, and it spoke for 7,700 national banks, and state institutions enrolled in it. It answered for twenty thousand state banking institutions who had previously declared this purpose to place every resource at the command of the nation.

The following is a synopsis of the resolution adopted:

"The bankers of the nation have never yet failed in the full discharge of their duty to their Government. They did not fail in the past Liberty Loan issue, and will not fail in the future.

Reports by authoritative officials were made that considerable complaint had been made by some banks regarding delivery of Liberty Bonds of the first issue, who seemingly failed to take into account the enormous physical labor involved. The requisition for the first issue of such bonds by the Reserve banks called for a total of 8,780,000,000 pieces, which would require 20,000,000 sheets of paper weighing 237½ tons.

Another resolution requested Congress to permit the establishment of branch banks at the various cantonments throughout the country. More than 700 banks had prepared to establish such branches and a creation of a thrift campaign, when orders against the plan were issued by the war department. The bankers assert that camp banks will be established, if possible, at a primary loss, for the reason of aiding the soldiers and encouraging saving.

The report of the Committee on the Insurance Referendum was adopted, and referred to the Executive Council, recommended that the report be received and the committee increased by adding to its members the out-going and in-coming presidents, and that the committee be authorized to prepare a plan for securing the most satisfactory burglary, fidelity and insurance, said plan to be submitted to the Executive Council at the spring meeting, and approved before being submitted to the next annual convention.

The following amendments were adopted:

Increasing the dues of those members whose previous dues were \$40.00 or over.

That the vice president of the Association be an additional member of the Administrative committee.

To appoint vice presidents in foreign countries.

Creating the State Legislative Council and the Federal Legislative Council.

Rearranging groups of states with less than one hundred members.

Chicago was recommended as the meeting place

for the next annual convention, and the convention voted to advise the Executive Council that Chicago would be suitable to them for the 1918 convention.

The election of officers for the ensuing term resulted as follows:

President, Chas. A. Hinsch, President Fifth-Third National Bank, Cincinnati, Ohio.

Vice President, Robert Maddox, President Atlanta National Bank, Atlanta, Georgia.

The Executive Council elected James D. Hodge, president of the Union Savings and Trust Co., Seattle, Wash., Treasurer.

Fred E. Farnsworth of New York was re-elected General Secretary.

We again desire to express our appreciation to the members of this convention for the recognition and courtesies extended us.

Respectfully submitted,

J. J. NIERLING,
F. A. IRISH.

Report of Executive Council Meeting, Hot Springs, Ark., May 9, 10, 11, 1918.

To Members North Dakota Bankers' Association:

The spring meeting of the Executive Council of the American Bankers' Association, which was to have been held at Hot Springs, Ark., April 22, 23 and 24, was, on account of the Third Liberty Loan postponed until May 9, 10 and 11. Thanks to the efforts of Mr. Harry Wilkinson, publisher of the *Chicago Banker*, the members of the Executive Council and their wives were furnished with a special train over the Wabash, known as the "Springtonic Special." The party was royally entertained at St. Louis by the St. Louis Clearing House Association. On arrival at Forest Park Station, St. Louis, the delegates and their wives were met by autos and taken to many points of interest about the city, and later in the evening, given a banquet at the Missouri Athletic Club. While the stay in St. Louis was brief the hospitality extended will be long remembered.

On arrival at Hot Springs the Convention immediately got down to business, and not much time was devoted to speech making. Naturally, pending legislation at that time came in for a thoro discussion. Opposition to banking measures at that time pending in Congress was handled without gloves. One of the measures criticized adversely was that providing for the guaranty of bank deposits under \$5,000. Opponents of the Guaranty Bill expressed the belief that it would make the assets of the strong, well managed bank available to pay losses that might be caused by incompetent and defective supervision.

The law defining usury was also discussed thoroly, members having no objection to the law, but they do object to the penalties imposed.

The Council voted its approval of the report of the Insurance Referendum Committee, which plans to organize a company among member banks to write bank insurance risks. Tentative subscriptions have already been received for part of the capital stock and the plan will be presented more in detail at the next annual convention of the Association. The organizing of an insurance company by the Association will in no way interfere with our very strong and efficient state organization, but a strong Association organization would prove very convenient in the underwriting of large policies taken by our state association company, which are necessarily underwritten by old line companies at the present time.

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In our opinion this would be the means of creating additional revenue for both organizations.

A new committee was created at the meeting, known as the "Committee on Co-ordination of the Activities of the Association," and is composed of the following members: Waldo Newcomer, president of the National Exchange Bank, Baltimore, Md., Chairman; Guy E. Bowerman, president of the First National Bank, St. Anthony, Idaho; S. B. Montgomery, president of the State Savings, Loan and Trust Company, Quincy, Ill.; Nathan Adams, vice president of the American Exchange National Bank, Dallas, Texas; J. W. B. Bausman, president of the Farmers Trust Company, Lancaster, Pa.; and Charles A. Hinsch, ex-officio. This committee will facilitate the handling of the affairs of the Association and will be the means of eliminating a great deal of confusion that has existed during former sessions. Such a committee is absolutely necessary on account of the rapid growth of membership in the Association.

The different sections of the Association held their meetings, in which affairs of the Association governed by these sections were thoroly discussed. The Association is certainly fortunate in having such alert and intelligent members composing the sections. This also holds good of the Chairmen of the different committees, whose reports were also offered at the Convention and were well received.

We now have a membership in the American Bankers' Association of 18,200. The officers of the Association feel that 20,000 is a modest ambition. The increase in membership since last September has been the largest in the history of the Association.

The losses thru non-payment of dues, consolidations etc., have been the smallest.

As an inducement to non-members to join the Association, it was decided that the payment of one year's dues would give all the privileges of membership from June 1st, until the end of the next fiscal year, August 31, 1919, a period of fifteen months.

Bankers plainly recognize the necessity for co-operation and realize in these critical times the advantage of working together. North Dakota has 372 members, 493 non-members and two members on the Executive Council. Only 128 additional members are required to give our state another representative on the Council. Let us get busy and see if it will not be possible to increase our membership to the required number so that we may have another delegate on the Council, and also assist in strengthening the banking interests of the country.

The address of President Hinsch was very patriotic and very instructive, as was also the address given by ex-President Goebel. According to Secretary Farnsworth the meeting was one of the best in the history of the Association.

Respectfully submitted,

F. A. IRISH,
J. J. NIERLING.

Mr. Green: You have heard the reading of these two reports. What is your pleasure in regard to them?

Mr. C. E. Batcheller: I move that the reports be received and placed on file.

Motion seconded. The motion prevails.

Mr. Green: We will hear from the Secretary the report of the Committee on Resolutions.
(Report of Committee on Resolutions read by Mr. Macfadden.)

Report of Committee on Resolutions.

Mr. President and Members of the North Dakota Bankers' Association:

We the members of your Committee on Resolutions, do hereby respectfully submit the following resolutions for your consideration and action:

As an expression of our support of the Government of our country and of all legitimate business affairs of our State, be it

Resolved, That knowing and believing that the cause of America in this great war is just and righteous, and for that reason only, we believe that the one great purpose of all our people at this time should be above all others things the winning of the war and that this may come speedily, we do hereby pledge to Woodrow Wilson, the Commander in Chief of our army and navy, to the Congress of the United States, to our soldiers and sailors on land and sea, and to all Government authorities at home or abroad, our whole hearted support of each and every Government policy and activity initiated by them for the purpose of defeating the enemies of free government and the overthrow of autocracy in the world, so that the principles for which America fought in 1776 and for which this country has always stood may be the beacon light of liberty to the oppressed people of all lands.

Our hearts are with the men and women and our boys in the service of our nation, and we pledge to our Government to the end that they shall be the very best and most efficient and most victorious fighting force the world has ever known, all the resources that are at our command in this state in order that we may do our best to fill all requirements made of us in subscribing for our share of Government obligations and the support of associations engaged in Government war relief work.

OUR FLAG HAS NEVER BEEN DEFEATED AND IT NEVER WILL BE.

We pledge our support to the Federal Reserve System fully realizing that it has united the financial resources of the country to such an extent that business has been preserved while at the same time it has been possible to procure enormous sums necessary to carry on the war.

We favor such modification in the present bonding act for feed and seed, as will eliminate the present provision, making such lien superior to an existing lien or mortgage; for the reason that said provision has caused the withdrawal of foreign money on real estate security, thereby causing a hardship to real estate owners, who are in need of such financial assistance.

We heartily commend the action of the Executive Council of the A. B. A. in approving the recommendation of their Referendum Committee, that a Bankers Burglary Insurance and Surety Company be organized for the purpose of writing burglary and surety risks, said company to be managed and controlled by bankers. The experience of the North Dakota Mutual Casualty Company, since its organization, being conclusive evidence that such a company can safely and profitably carry these lines of bank insurance at much lower rates than are now being paid.

We recommend that the Association adopt the

Have You Sent In Your Order for a
Copy of

JUDGE ENGERUD'S LEGAL OPINIONS FOR COUNTRY BANKERS?

THE volume comprises about eight hundred opinions written by Judge Engerud for members of the North Dakota Bankers Association during the seven years last past, and includes almost any legal question which could come up in the course of business in a country bank.

The book is a volume of about eight hundred pages. All opinions are properly classified and indexed, with revisions up to date and annotations showing court decisions affecting opinions written.

See Association Bulletin No. 184.

recommendation of our President in his annual address, reading as follows:

"That an executive council, consisting of three or more members, be elected by the national banks, to act in all matters affecting national banks only, and that a similar executive council be selected to handle matters that affect state banks only, neither of these executive councils to displace the present executive council, but to be independent units."

We especially commend the good work of the committee on immigration for the consideration of the members of this Association and we recommend that its report be given special attention by the Executive Council of the Association, looking to some practical solution of this immigration problem that the greatest good may come to our state.

Resolved, That the North Dakota Bankers' Association, in convention assembled, hereby commends the use of Trade Acceptances as a means of improving the credit system and strengthening the banking position of the entire country.

Be It Further Resolved, That this Association recommends that its respective members use their best efforts to fully inform their patrons who are possible users as to the merits of the Trade Acceptance, with a view that the use of this valuable instrument shall become general throughout the state.

Resolved, That the Universal Military Training of our American youth is a wise, needful and patriotic duty not only as a national preparation for the defense of our beloved country but as a necessary training for our youth in efficiency and usefulness and as an important factor in teaching true democracy in associating together the young manhood of

THE CHASE NATIONAL BANK

of the CITY OF NEW YORK

57 BROADWAY

CAPITAL - - \$10,000,000 SURPLUS and PROFITS - - 12,863,000
DEPOSITS (June 29th, 1918) - - \$344,743,000

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WE RECEIVE ACCOUNTS of Banks, Bankers, Corporations, Firms or Individuals on favorable terms, and shall be pleased to meet our correspond with those who contemplate making changes or opening new accounts. FOREIGN EXCHANGE DEPARTMENT.

the nation at a period in their lives when the best impressions of their duty to each other and to the nation can be made.

And Be It Further Resolved, That this Association strongly recommends the enactment of such Federal and State laws as will best accomplish this most desirable result.

We wish to express the appreciation of the members of the North Dakota Bankers' Association in attendance at this Convention, to the officers of the Association, the standing committees, the speakers and others who have taken part in our program and to the associated banks of the City of Mandan for their cordial hospitality and courteous treatment, all of which have assisted to make the convention one of the most successful ever held by our Association.

Respectfully submitted,

W. C. McDOWELL,
J. R. CARLEY,
A. P. HANSON,

Committee on Resolutions.

Mr. Green: You have heard the reading of the resolutions. What is your pleasure in regard to them?

Moved and seconded that the resolutions be adopted.

The motion prevails.

(Mr. Earley read a resolution by the Committee of State Bankers on the proposed national association of State Banks.)

Report of Committee on National Association of State Banks.

To Members of the North Dakota Bankers' Association:

Your committee to whom was referred the matter of organizing a national association of bankers working under state charters, separate and distinct from the national banks and bankers, beg leave to report as follows:

We look with disfavor on any plan which would divide state bankers from national bankers at this time when co-operation of effort and cohesion of all forces are so vital to the winning of the war.

We recommend instead, that all state banks, not now members of the American Bankers' Association should join without delay, thus contributing their influence to the splendid national organization now in existence.

Respectfully submitted,

J. J. EARLEY,
LEWIS F. CRAWFORD,
R. H. FARMER,

Mr. Earley: I move the adoption of the resolution.

Motion seconded. The motion prevails.

President Green: Ladies and gentlemen, we looked yesterday most of the day for a man who was to address us, and he didn't show up, but what we missed yesterday we are going to get today. We are very fortunate in having with us this afternoon Mr. A. R. Rogers, who has had charge of all the Liberty Loans in the Ninth Federal Reserve District, and I take much pleasure now in introducing Mr. A. R. Rogers, of Minneapolis.



MR. A. R. ROGERS

Mr. A. R. Rogers: Friends, I don't know why you should have looked very earnestly for a speaker yesterday when I have learned that the speeches which you have had were of such a high character and of such an interesting nature. It was my privilege this morning to listen to the very illuminating address presented by Prof. Lurton, of East Grand Forks. I most heartily second every statement that Prof. Lurton made. (Applause.) It seems to me that he brought a message to each and every one of us which is well worth our giving close attention and doing what we can to bring it about.

About four years ago I had an opportunity of meeting a young man, at that time about twenty-four years old, a very promising, high-grade young fellow. He was a superintendent of one of the most important divisions of the Canadian Pacific road. I rode with him in his car for about two days so that I had an opportunity to get closely in touch with him and learn him—learn to know him as we can only know people by coming in close contact with them. I have watched his career with considerable interest, and when the war finally broke out, he came to me, shortly afterwards, and said, "I feel the call to duty." Of course no one could, if they would, and none of us would, even suggest that a red-blooded young American citizen—or a Canadian for that matter—would fail to do the thing which he felt was his duty, particularly when that duty was in the line of war service, but in talking to him I said, "Edward, why do you feel that the duty which you feel called upon to perform is greater than the duty which you are now performing? You are in charge of a very important division of the road, as acting general superintendent. It seems to me that you are performing an important duty here which is equally as important as entering the service at this time." "No," he said, "I feel that I must go. It is simply a question as to the best and opportune time."

The matter was left at that point. The young man went to see his superior officer, the vice president of the Canadian Pacific, and said, "I must enlist very shortly." "Well," the vice president said, "I don't think you should. You are doing a duty here which is, to my mind, fully as important as service in the front line trenches. We cannot spare you. This railway must move the crops and you are one of the ones that we depend on."

He went back home but he was dissatisfied. The statement had not appealed to him, and about two years ago I got a telegram saying: "Have enlisted as a private." I immediately wrote him a letter and asked him why he had not attended the officer's training camp. He said, "No, I don't want anything in this world I don't earn, and I should feel that I hadn't earned it unless I began at the bottom and

worked up." A very high, noble ideal! He was very shortly inducted into the service in France, and of course a fellow of that kind progresses with tremendous rapidity. He first became a second lieutenant, and then first lieutenant, and then finally was made captain a short time ago. Just as I was taking the train yesterday I got a telegram saying: "Edward Duval died in action." There went through my mind very rapidly thoughts which naturally come to one, particularly where we are brought close to death, especially where it is of that character, and strangely as it may seem there was a little poem which had been copied—a couple of verses of it—and was lying in my desk. I don't know how it happened to be there at the time or anything about it. I picked it up and I am going to read two verses of it to you and tell you why I have given you this illustration.

"What if I lay on the altar only a few drops of blood?

Small is the gift to offer for honor, freedom, God. While by your side I dally, still waits the slave in his chain.

Up! Up we must rally once more 'mid the leaden rain.

With kisses on lips, eyes and forehead, send me the sign of the Cross!

If my heart throbs its last for our honor, greater the gain than the loss."

There was a young man that gave everything in the world. He left a wife and two small children. After bringing this to your attention let me call attention to what I am going to ask of you, and it is not much. Those young men who are sacrificing everything that they possess every day of our present existence. How small, then, is the request which we are asking of you bankers constantly, that you give, not of your life, but of your time to a limited extent in aiding your government in financing this war?

How great the need, and how imperative that we not give of our means grudgingly, but that we must give every ounce of energy, every dollar of our money, every effort and every thought that we possess, in order that the object for which we are in this war is attained and attained quickly.

The North Dakota bankers have done a very remarkable service. You have made it possible to do this thing which has been done up to date, namely the selling of bonds, in a way which reflects credit upon you and upon the district as a whole, but the time is coming, and I think it is not far distant, when what we have done in the past is only a sample, if you please, of what you are going to be asked to do in the future. The question of the amount of money, as well as the methods, and particularly the amount, has been a matter of progression. We were started in our swaddling clothes, and we were then changed to short skirts, as it were, and finally we have now reached almost manhood—not entirely so, but as it goes on we are going to get there, and how easily have the steps been taken! We raised the amount of the last loan in this state very much easier than we raised a much less sum in the first loan. These things don't go by chance. They are the result of education, the result of an increasing appreciation of our duty towards our country. The education has not been alone that of the individual citizen; it has been the education of the business man and the banker also. In looking over our records, and I presume what I am here for today is

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The large and steady outlet that we have for first mortgage loans on Minnesota, North and South Dakota, and Montana farms keeps us constantly seeking additional connections with Bankers in this territory.

The mortgage loan facilities this Company offers should appeal to those Bankers who desire to place farm mortgages with an institution that can absorb quantity with quality.

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not to make a speech but to render an account of my stewardship as your servant, if you please, and that is what I purpose doing—in looking over the records of the first, second and third loans, it provides a very interesting lesson. In the first loan very few bankers took any active part. They almost refused, in many cases. In the second more got in, and in the third in increasing number until now almost all the bankers of this and of all the states are actively interested in this work. I trust, and I am sure the time is not far away when that individual who calls himself a banker whose soul is so shriveled up, whose manhood has so far left him, that he will stand on the corner and profit because of the patriotism of his competitor, shall have disappeared. (Applause.)

I have no fear in expressing in the plainest terms that I possess, my contempt for any man who will, by word of mouth or act, condemn or interfere with the progress of a loan campaign because he fears that his neighbor will profit to his advantage. The man who so profits is too small to deserve any comment or recognition. There are none such in your state, I am sure, and consequently no one need take it to heart.

We have evolved a plan—and I am going to shorten my talk very much to your advantage because as I stepped on the platform I had a telephone message from your capital city inviting me to be present at the trial which is in progress at Bismarck, and was told that the invitation was a subpoena, so I shall make it just as short as possible. I see that you appreciate the advantage which will be yours. We have evolved a system for the sale

of bonds which has proven to be a wonderful success. That system, based as you know upon sound equity and sound logic, and sound common sense, provides for a distribution of the bonds amongst the individuals in proportion as the individual can carry or purchase the bonds. In the first instance we felt that that was rather a dangerous thing to try, so we tried it out "on the dog", as it were, and the dog liked it and prospered and thrived under it, so that we tried it last time and ask you all to try it. Some of the bankers felt that it was hardly proper for them to sit in on these allotments for reasons which they will explain. I don't know; the allotment system will make this bond matter so simple, if we work it out to the finest detail, that it will be just like loaning money as you do at ten per cent or thereabouts and paying four or five per cent for the deposits. The people like it. Every individual whom we have approached from time to time to buy bonds has asked this question: "What is my share?" This district has initiated that idea and I think it is very much to our credit. It has spread it over quite a considerable area and I believe that before we have finished most of the districts will use it.

We cannot make that a supreme success unless the bankers will get into it clear to the limit and assist their county chairman in making allotments so that they can stand behind them and feel that the allotments are fair, just and equitable and so that they can be defended on the basis of right and fairness. We purpose, with your permission and with your co-operation, in the next campaign—and it is quite likely, gentlemen, to be a stem-winder,

as we say, in amount, although we are not at all frightened—we purpose asking that every county make the allotment to the individual clear down to the fifty dollar bond; and that they go further: we are going to recommend to you that each county have a board of review, if you please, to whom can be referred questions of unfairness in the allotments. If anyone feels that he has been unjustly treated he may go to this board and have his case heard and some consideration given to his complaint. We believe that will be an advantage. But you must help; you must take an active part in these allotments if they are going to be made on a basis of fairness and justice.

In the past North Dakota, because of reasons, has been very easily treated. You have been babied, if you please. We have put the soft pedal on and said, we won't treat you hard; we will be just as nice as we know how; your allotment will be small; and each time you have gone way beyond the allotments given. You have shown that you didn't like that sort of a deal and demonstrated to us that it was an utter mistake to treat you in that way and that you wish to be put in a class with Minnesota, Montana, South Dakota, Wisconsin and Michigan, and so we are going to follow your desire and request and put you where you want to be, in the class with South Dakota, Minnesota, and the other states I have named. That is what we are going to do for your sake, although personally we would have preferred to have given you very much consideration than that and kept your allotment small, but as long as you do not like it we won't do it any more. (Applause.)

There is one thing: Might I inject at this point a little advice? It is cheap. Don't always tell how hard up you are. Don't go around with that "We are terribly hard-up—borrowing money and so forth." We don't take any stock in it. It simply puts you in a position where we laugh at you a little because we know that whatever you are asked for you are going to go clear up and way over, regardless of what it is, so long as it is fair, and it will be fair.

A little story about this going over the allotment occurs to me. I will have to tell it to you. A colored man was asked, how does it seem to go over the top? And he said: "Well, boss, I will tell you how it seems to go over the top. First the officer comes along and he says, 'Boys, we are going over the top.' You put your right foot forward and the next step you lifts your left foot up, and you puts it on the foot stand for going over, and you put your right foot up there on the top, and when the whistle blows we puts our foot out on the top, we ups with our rifle, and say, 'Good morning, God.'"

Of course your going over the top is not entirely as disastrous as that, but I imagine the same kind of feelings come to some of you, at least from the correspondence and talk which I have had with you.

Now there is a subject—and I must hurry along because I am afraid that my friend in Bismarck will get uneasy—a subject which is rather tender, and I rather hesitate about bringing it up, but I am going to bring it up. It is the rate of interest that was charged on deferred payments on the bonds. We have prepared for our office a great deal of information bearing on the rate of interest. I am going to give you our views and pass the information over to you. We have no authority. We assume none. We only make suggestions where we think we can see a solution to a difficulty that perhaps you men also see. It has been the object in

the past of our office to sell bonds for you. We have felt, as has been stated many times, that we were the selling department for the banks of the Ninth Reserve District; that as a matter of fact the bonds which we do not sell you would automatically and willingly take as yours, because that would be the natural result. Now as a selling organization it is our purpose to so present the wares which we have to the buyer as to make them the most attractive that it is possible to make them. We go to your customers and to ours and say: We have a class of goods that we want you to buy. If you have not the money to pay for them you can borrow it at the bank. Now, if the banks for any reason whatsoever, feel that they cannot afford to carry these bonds at such a price as will make it an attractive purchase for their customers we may, in course of time, lose some customers for you. We would suggest that you give very careful consideration to this. We hear rumblings and we have talked with many people on this subject, bearing upon the rate which you shall charge on the deferred payments of bond purchases. We want the people to whom we sell these bonds to be so interested and so desirous of taking them that they will keep them, as far as possible, out of your hands and as long as possible, but if the rate of interest is too high so that the penalty between the government rate and the price paid possibly at some time you may find that they feel they are penalized too severely for their patriotism. I know when the matter is brought to your attention that you will appreciate the position which we take in this matter and understand why at this time I am bringing it to your attention.

We have had an experience in the method of carrying on campaigns which I would like to mention. In some of our counties we have asked the people to come to a center and buy the bonds,—a very revolutionary idea, possibly, many said it could not be done, of whom I am one. We tried it out. We pass it on to you as a suggestion only. Here is the experience. One county with a \$650,000 allotment sent out cards to the people in their county asking them to call at the county seat on one of four days, dividing the county into four parts, and asking them to buy the bonds on the day set. About forty-six hundred people were so notified and of the forty-six hundred all but twenty-five called on the days which they were requested to call. Everyone who called bought at least his allotment, and of the twenty-five who did not call on the four days every one but seven finally called and purchased their allotment. The county sold \$800,000 worth of bonds. That was a surprise to me, as I know it is to you. I wondered whether that scheme was practical or not so we began to investigate and we found that instead of this county being an exception we had at least twenty or twenty-five counties where they had done the same thing, and each one has given us practically the same kind of a report. Whether it is practical in your counties or not is up to you to determine. I pass it on as a suggestion only. If it can be done just see what it means; first that your people are tremendously interested in this program, anxious to do their duty and shoulder their responsibility, and instead of doing as our friends in the effete East—east of the Ohio river in particular, who think they know it all and take four weeks to sell their bonds and then only get a slight over-subscription, and here we were out in this far western county, where we do not know much, we can sell our allotments and a seventy per cent over subscription in four days. It can be done in many

Frank A. Vanderlip says:

"To be Good Americans, we must analyze our expenditures."

He's Talking to Us individually, and *he's right*, because—we must know what we have done with our money in order to spend to better advantage in the future, and *save more*.

The Sperry Household Expense Register

will enable you to BUDGET your expenditures and manage your household and personal expenditures on better business principles.

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ST. PAUL, MINN.

"WE SELL AT RETAIL"

of our counties—possibly all of them; I don't know.

There is one subject which I always shy a little from because I am very modest—the ladies. The ladies in the different states have done wonderfully fine work. You had one as chairman in your state, Miss Nielson, of Valley City. She did splendid work under the direction of the county chairman and I wish to publicly express my appreciation of her and of the committee of women throughout the state.

We are going to ask you, as time goes on, to give us more of your time, and we are not going to take "no" for an answer. If anybody is asked to take a chairmanship that is his job. We do not want you to write us about it; it doesn't make any difference, we can't do anything about it; if you have a job given to you in this work, it is your job. Get into the game and do it, not half-heartedly but about a hundred and fifty per cent, the same as you do with your allotments. We must have co-operation. If the banks of the different towns cannot co-operate in business they surely must co-operate on government activities. In cases where we can be mediator for you please let us hear from you; we shall be glad to be of assistance if we can.

I want to thank you for the splendid support you have given us and for the very charitable way you handled your chairman. Often I wonder why I didn't get more abuse than I do, for it seems to me that many of our actions are more or less autocratic, rather severe at times, but instead of that I seem to always have a glad hand and friendly greeting wherever I go, which means only that we stand for the thing that interests you.

I want to thank you for giving me the privilege of being here today. I always like to come. You know we haven't an adequate force of orators at our office. We have only a few fairly good salesmen. We have to go to the Federal Bank for orators, and they are always glad to accommodate us. With your kind permission I am going to be excused and go over and see what Mr. Hildreth may do with me. If I get in where I cannot get out I trust you will bail me out. (Applause!)

* * *

President Green: We all appreciate Mr. Roger's talk, I am sure, and are sorry he cannot remain with us. It is rather warm in the hall and I believe we will suspend the rule and suggest that anybody that wants to can remove his coat. We have with us this afternoon the president of the Minnesota Bankers' Association, Mr. E. L. Mattson, of Minneapolis, and we will be very much pleased to have a word from him at this time.

Mr. E. L. Mattson: Mr. Chairman and gentlemen, I would not presume to take a moment of your time and prevent the large program that you have ahead of you from going on as outlined. I appreciate greatly the honor of being presented to you, not because of myself but because of the brother organization across your lines which I represent, the Minnesota Bankers' Association. I always enjoy your conventions. I have attended a great many. I think I can almost speak from the standpoint of an expert because of the number I have attended. Last night I was checking it up and I think I have attended conventions here for nearly fourteen years, and I want to say that there are no conventions

that I have attended in any section of the country that I enjoy so much as the North Dakota conventions. Your meetings are not formal; you men are close together; you do real work and you accomplish a great deal. I thank you.

President Green: We will turn back to the unfinished business. We didn't finish our program yesterday and at this time we will take up the matter that was left over. Yesterday you will notice that we were to have an address on "Trade Acceptances" by Mr. Jerome Thralls, of New York City. He did not arrive until late last night, but we are glad to say that he is with us now. I take much pleasure in introducing to your Mr. Thralls.

THE TRADE ACCEPTANCE.

By JEROME THRALLS,

Secretary Clearing House and National Bank Sections American Bankers' Association.

Mr. President, Ladies and Gentlemen:

I did not come to this convention for the purpose of delivering an oration or to entertain you. I am here in the capacity of your employe, being in the service of the American Bankers' Association, of which organization the banks you gentlemen represent constitute a very important part.

I am going to discuss with you, on behalf of the American Trade Acceptance Council, the subject of the Trade Acceptance, which I believe to be of vital importance to every banker and business man in America. The American Trade Acceptance Council is in reality a joint committee—originally made up of representatives of the American Bankers' Association, the National Association of Credit Men and the Chamber of Commerce of the United States. Representatives of other important business organizations throughout the country have been added to the Council.

The purpose of the Council is to gather and disseminate information regarding the Trade Acceptance. It has been my privilege to handle the bankers' division of the work. We have perfected an organization covering the entire United States, including a committee of three wide-a-woke bankers, appointed by the bankers association of each state. In many of the states the chairman of this committee has appointed a chairman for each bankers' group or certain sub-divisions. The chairman of the bankers' groups have appointed a chairman for every county in their respective groups. It is the duty of the county chairman to arouse the bankers in their respective counties and get them in turn to interest their patrons who are prospective users of the Trade Acceptance.

The bankers throughout the country are thoroughly interested and with a strong organization including a representative for every county in the various states, success with the movement is made almost certain.

Form Recommended.

The Trade Acceptance is a very simple device being a negotiable certificate of indebtedness covering a current transaction or current transactions in merchandise.

The Council, after careful consideration has recommended a form of Trade Acceptance for general use. Other forms, however, covering special needs may be used, yet we believe the simplest form is the most desirable. Every Trade Acceptance should



MR. JEROME THRALLS

Secretary National Bank and Clearing House Sections, American Bankers Association, and Assistant Secretary National Trade Acceptance Council.

have the phrase printed on its face, "The obligation of the acceptor hereof arises out of the purchase of goods from the drawer." It is also advisable to have printed on the face of the Acceptance, "The drawee may accept this bill payable at any bank, banker or trust company in the United States which he may designate." The purpose of the latter phrase is to protect the negotiability of the instrument, in cases where, after it is signed by the drawer, the acceptor makes the Acceptance payable at a bank located elsewhere than the point where the Acceptance is drawn. These two phrases have the approval of the Federal Reserve Board, the Council of the American Bankers' Association and other authorities.

Not a Cure-All.

As a result of the efforts of the American Trade Acceptance Council, many thousands of firms, representing practically every line of business in America are using the Trade Acceptance with results that are highly satisfactory. The American Bankers' Association is behind the movement, because we believe the Trade Acceptance is an instrument which, if properly used, will greatly improve the credit system and strengthen the banking position of the entire country. It has been heralded by some as the panacea for all ills. It is a most valuable instrument; its use will improve conditions and relieve the business world of many disputes and troubles, but it will not put value into any transaction, nor will it make bad debts good. It will put vitality into commercial transactions aggregating hundreds of millions of dollars, which, under the open book account plan, are a dead weight and a drag on the credit and financial system of the country.

The Trade Acceptance is to many trade transactions what army discipline and training are to the "rookies." Its put them in shape to render effective service when called into action.

Encourages Careful Buying.

There are many merchants who pay promptly obligations representing money borrowed from their local banks and who would not under any considerations default on a written obligation, but who regularly permit their 30 day open accounts representing purchases of goods to run from 60 to 90 days before paying up. This leads to slipshod methods, often to over-buying and stocking up with goods which cannot be moved during the terms of purchase. Sometimes it leads to complete ruin, whereas, were these same merchants obliged to sign Trade Acceptances they would be more careful in their purchases. They would buy only such goods as they were certain they would be able to move before the maturity of the Acceptances.

I had an early experience which demonstrates this fact to my mind. I was employed as clerk by a well-to-do farmer who was opening a store in a cross-roads town. Neither he nor I were experienced in merchandising. He had been a success in his business as a cattle feeder and farm operator on an extensive scale. He had borrowed money from the local banks for years. He always met his notes promptly and never defaulted on a written obligation.

When he opened this store, the drummers—as we called them—came along and with their fine samples and smooth talk—loaded us up with a lot of goods on 90 days net terms, that could not be sold in that community within nine years, let alone 90 days. At the end of the 90 days, the goods were still on the shelf; the old man concluded that the people from whom he had purchased the goods should be willing to wait for their money until the goods were sold.

Other drummers later sold him additional bills of goods and when the firms they represented wrote to those who had furnished him with the early stock to find out about his credit standing, received replies that the old man was slow pay, and so on. To make a long story short, the result was that this farmer merchant went to the wall in a few years. He lost practically everything and was considered a failure, whereas to my mind he was merely a victim of a wrong system. I am confident that had he been called upon to sign a Trade Acceptance for his first purchase, he would have been more careful and would have bought only such goods as he was certain that he could sell in that community before the maturity of the Acceptance, and instead of being a failure he would probably be in business today. The Trade Acceptance will undoubtedly encourage more careful buying and prompt settlements.

Written Obligations vs. Verbal Promises.

As collection agents, I am confident that you gentlemen would rather have in your possession the written acknowledgment of the receipt, purchase and promise to pay for a bill of goods than merely to have a memo made by some clerk to the effect that a certain bill of goods was sold to a certain party on a certain date, to be paid for at a certain time. In other words, if Sam Smith owes President Green \$500 for which he has given his personal note and owes Secretary Macfadden \$500 for which Mr. Mac-

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fadden has Smith's verbal promise to pay and Smith has \$500 in Mr. George J. Johnston's bank, I am confident that Mr. Green would get it. I am likewise confident that the holder of a Trade Acceptance will get his money on the due date of the Acceptance in preference to any creditor who has sold on the open account basis.

No doubt 90 per cent of the merchants who borrow money, from banks, would pay their indebtedness even though the written evidence of such indebtedness were destroyed. But is there a banker present who would loan or consign credit to any merchants without taking from him an acknowledgment of such loan and a promise to repay it on a certain date?

If you will not allow a merchant credit without taking his written promise, why should you be willing that the merchant to whom you grant credit should scatter broadcast, the goods against which the credit is granted without securing written receipts and promises to pay therefor. The merchant's ability to collect for the goods sold measures the bank's ability to pay its depositors.

There is no question but that there should be a closer check on all merchandise transactions. The real mission of the Trade Acceptance is to whip business into safer and better form. One of the results will be that an equal amount of capital will do a greater amount of service. The open account even though good, as such, cannot serve as a basis for currency issue, while the same account if in the form of a Trade Acceptance will serve as the basis of currency issue.

Like the "rookie" the open account is the basis

of a real fighting unit, but it must be put into proper form before it is ready for service in the first line of defense. The fact that the Trade Acceptance is superior to the open account does not, however, mean that the holder can discount acceptances at a bank in unlimited amounts. Where the names of the acceptors are unknown to the banker he will depend upon the standing of the offerer the same as he would in granting credit in the form of a regular loan on a single name note. The credit man in the bank and the business house will not be relieved of any responsibility. They will need to be just as careful after the introduction of the Trade Acceptance as they are at the present time.

Some prospective users of the Trade Acceptance are concerned about the effect the discounting of such paper will have upon their credit standing—where they depend upon note brokers to float their paper in the open market. The purchasers and note brokers in determining the standing of such people now depend upon their statements. They will continue to do so. The statements will show contingent liability to cover Trade Acceptances sold or discounted. It is likely that the practice of extending two lines will grow up in this country—as it has in Canada. The Canadian banks grant a direct line to furnish the borrower with the necessary working capital and seasonal stock-in-trade. This line is liquidated or at least reduced to the lowest possible level at least once a year. They also grant an indirect line against trade paper based on the annual turnover, for illustration, if the terms are two months and the annual turn-over amounts to \$180,000, the indirect or trade line would be \$30,000. This line would fluctuate with the turn-over.

The interest in the subject of Trade Acceptance is reflected by the fact that more than 800 bankers and business men representing practically every line of trade and coming from the different sections of the United States spent the entire day and evening in a convention at Chicago, June 17, 1918. The subject was covered from every angle at this meeting and information of tremendous value was developed. The verdict of that jury of 800 or more was that the Trade Acceptance is a most valuable instrument and that it should be used wherever practicable. The proceedings of the meeting are a genuine text book upon the subject. I think it will be the purpose of the Council to have the proceedings briefed and placed in pamphlet form. If this is done and you are interested in the subject, you should get a copy.

While the Trade Acceptance is, without question, preferable to the open book account, there are a few of our banker friends and a few business people who have, because of selfish reasons, gone on record as being opposed to the introduction of this instrument. For illustration, a New England banker is quoted as having said "I do not pretend to have made any deep study of the question, but from the beginning it has seemed to me that the encouragement given to this matter at the present time as a general principle to be adopted on all sides was from the theoretical banker and from those who are less grounded in the old established principle of banking along the lines that have proved so successful in this country for so many years."

Mr. Geo. F. Baker, Jr., vice president of the First National Bank, New York City, Mr. Frank A. Vanderlip, president of the National City Bank, Mr. Samuel Sachs, member of Goldman, Sachs & Co., note brokers, Mr. James S. Alexander, president of

the National Bank of Commerce and Mr. William Woodward, president of the Hanover National Bank, New York City, are some of the gentlemen to whom our New England friend refers as "theoretical bankers."

In their recommendations to the Chamber of Commerce of New York City, these gentlemen said, "A new step of importance to the development of the Federal Reserve System will be the adoption by merchants of the method of settling accounts by Trade Acceptances. Your committee desires to give its approval to the principal involved in this method of settling accounts between sellers and buyers. It believes that merchants throughout the country should be encouraged in every way to study the question of Trade Acceptances, and to bring the matter to the attention of their customers. The introduction of new methods of business of this description requires time and patience, in order that those adopting them may become thoroughly familiar with their methods and with the benefits to be derived therefrom."

In order to receive the approval of these gentlemen you and I know that any proposition must have undoubted merit. We further know that the best recommendations any proposition can have, come from those who have had actual experience with it. We received the other day a letter from the Kirby-Bonner Lumber Company of Houston, Texas, in which they say:

"As a consequence of our using the Trade Acceptance, we have reduced our average past due accounts to a minimum. On a total outstanding of \$800,000 our past due accounts for the past seven or eight months has been less than \$20,000, and average that you will agree is insignificant when the volume is Trade Acceptance form of settlement, our past due accounts ran nearly \$100,000."

Another user wrote us, stating:

"We have used the Trade Acceptance for several months and have received \$100,000 worth of them. All but \$67 have been liquidated promptly. The instrument carries with it the impression that it is a definite obligation, and men meet it at maturity."

The experiences of the Racine Auto Tire Company of Racine, Wis., are interesting. They say:

"We took up the subject of using the Trade Acceptance with out different distributors and salesmen at our annual salesmen's convention in October, 1916, and the decision was made then and there to go on the Acceptance basis. We were quite successful in getting the co-operation of the dealers in this innovation, and so far as the Acceptances being met is concerned, out of a million dollars of Acceptance paper handled in the spring business of 1917, absolutely all of it was met on due date or else was taken up before due date, maturity being anticipated."

We have hundreds of similar statements which would be of interest to you.

The O. B. Andrews Co. of Chattanooga, say:

"While we have not used them very extensively, we have found them to be very favorable indeed, and they are a great improvement over the old open book account. We are sending Acceptances with quite a few of our invoices and we find where we can get a firm to sign one we do not have any requests for renewals or extensions."

The Louisville Bedding Company of Louisville, Kentucky, writes:

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welcomes and appreciates the accounts of banks and bankers. Its extensive clientele, developed during more than fifty years of consistent, considerate service, is splendid endorsement of the agreeable and satisfactory relations maintained with correspondents.

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Chairman of the Board

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President

"In the course of our one year's use of the Acceptance plan we have not had more than three or four Acceptances returned unpaid."

The Koblitz-Kohn Company of Cleveland, Ohio, reports:

"We handle several million dollars worth of Trade Acceptances in the course of the year, and we find that it is a very comfortable feeling in the thought that we can use these at the bank at any time."

G. I. Sellers & Sons Co., of Elwood, Ind., say:

"We have been using the Trade Acceptance for the past five or six months and are very well satisfied with the results to date. We find that the better class of accounts accept the Trade Acceptance plan without a murmur. As we cater to a select class of furniture dealers, our efforts along these lines have been met with favorable response."

These testimonials will, I am certain, convince any reasonable banker or business man in America that the Trade Acceptance is a most valuable instrument in that it encourages careful buying, careful management of business and prompt payment of obligations.

Problems Confronting Bankers.

With the development of the Trade Acceptance the banker will be confronted with several very important problems. The first of which is:

That of developing the most economical and efficient method of handling Trade Acceptances within the banks. We now have a committee of three competent bank

officers in each of the Federal Reserve banks and Federal Reserve Bank cities studying this proposition. We hope to receive reports from these twenty-three special committees which will enable us to present a workable scheme to the banking fraternity at a very early date.

The second problem is:

That of exchange, collection and service charges. It seems that a great many merchants have been led to believe that Trade Acceptances will be handled just as checks are now handled. These same merchants understand that the checks that pass through the Federal Reserve Banks are handled without expense to the paying banks. This, of course, we know is not true. Time, distance, postage, clerk hire and other elements of expense are with us and always will be. A valuable service is rendered to the public in collecting and remitting for any item, even checks. Those who get the benefit of this service should be required to pay a fair fee for it.

The law provides that Trade Acceptances may be treated the same as checks in all except the following states: Georgia, Illinois, Kansas, Minnesota, Nebraska, South Dakota and Texas. That is, may be charged to the account of the acceptor if made payable at his banks. This same law has applied for many years in certain states to notes made payable at banks, yet the actual practice in handling such notes has been to get in touch with the makers before charging them to their accounts. This will, no doubt, be necessary during the early stages of the use of Trade Acceptances.

Further, Trade Acceptances will be received at the point of payment frequently several days in ad-

vance of maturity. They will need to be ticklerized and handled in a very different manner from the way checks are handled. In fact, the expense of handling the Trade Acceptance from date of its origin to the point of payment will be far more expensive to the banks than is the handling of checks.

The merchants who change from the open account system to the Trade Acceptance basis will be relieved of a tremendous amount of work entailed in sending duns, drafts, notes, etc. This work will be transferred to the banks. By centralizing the work in the banks heretofore done in the various business houses, a reduction in the cost of handling can be effected. The merchants are entitled to receive the benefits from such reduction but should not ask for more than such benefits.

It seems essential in the development of the Trade Acceptance that the holder of any Acceptance should be placed in a position where he will be able to determine as to what the Acceptance will yield at its maturity. That is, as to what the maximum service and collection costs will be.

We have referred to the twenty-three special committees the problem of evolving a uniform schedule of service, exchange and collection charges to cover the expense of collection and remission for Trade Acceptances. We are confident that through the efforts of these committees the right answer will be made available.

We believe that the banks throughout the country are entitled to a fair compensation for their services and that this problem should be thoroughly considered and solved during the initial stages of the introduction of the Trade Acceptance in order that abuses may not creep in which will be detrimental to the interests of the banks or which will hinder the progress of the Trade Acceptance.

Since I have been here a number of gentlemen have inquired of me as to what progress is being made by the Committee of Five in its efforts on the Exchange and Collection question. You are familiar with the report made by the Committee of Twenty-Five at the Annual Convention of the American Bankers' Association at Atlantic City, September last. That Committee reported that through its efforts and amendment to Sections 13 and 16 of the Federal Reserve Act had been obtained. The amendment, however, was not entirely satisfactory to the committee, but the committee felt that progress had been made and that a smaller committee should be appointed with authority and instructions to carry the work assigned to the Committee of Twenty-Five to a conclusion.

The Committee of Five was accordingly appointed. It is not a betrayal of confidence to tell you of the progress that has been made by the Committee of Five. We held a conference in Washington with the Federal Reserve Board on January 16th, at which we submitted a plan to the board, providing for a schedule of per item service charges, based upon population and so devised to yield a revenue to the banks on a graduated scale in no case exceeding 10 cents per hundred dollars or fraction thereof, etc.

The basis of our argument was the precedent established by the Federal Reserve Banks in making service charges, ranging from 1½ to 3 cents per item for handling checks deposited by their members. We contended that if the Reserve banks have a right to charge, for illustration, we will say two cents per item for the service involved in the physical handling of checks in the several Federal



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Reserve Banks; through the same line of reasoning the Federal Reserve Banks could make a service charge in such a way as would allow the country banker fair compensation for the service and expense which he incurs in remitting to cover the check presented to him through the Federal Reserve banks.

In support of our views we submitted an opinion rendered by Judge Paton, General Counsel of the American Bankers Association, which showed conclusively that under the law as amended June last, the Clearing members of the Federal Reserve System have a right to make a charge not to exceed 10 cents per hundred or fraction thereof to cover the service and expense involved in collecting and remitting to cover checks presented through the Federal Reserve Banks and which are handled by the Federal Reserve Banks as agents, the member banks not being privileged to make a charge on any checks, ownership of which rests in the Federal Reserve Bank and the Federal Reserve Board having the right to regulate all charges made.

The Board was courteous to us and requested that we reduce our proposition to the form of a brief and submit it together with the written opinion of General Counsel Paton. This was done under date of March 12th. We anticipated an early response from the Board. Our answer came in the form of an opinion rendered by the Attorney General of the United States and which was published in the May issue of the Federal Reserve Board's Bulletin, and which it seems makes it clear that the Federal Reserve Board has exceeded its authority in making a service charge against the member banks.

Whether this opinion is designed to kick out from under the Committee of Five the basis of its contention is not known, but coming in the way it has, it would seem that such a conclusion might be justified. The Attorney General takes the unusual position that the Federal Reserve Banks are owners of the checks which they collect for the members. We are confident that the Federal Reserve Banks will

not want to assume any such position. The liability and responsibility of ownership of the vast volume of checks is a burden certainly that the Federal Reserve Banks would not want to assume.

As to what the next move of the Committee will be, I cannot say. The Committee, however, is still confident that the courts would decree that the law as it now stands, while confusing, provides definitely that the country banks shall have a right to receive a fair compensation not to exceed 10 cents per hundred or fraction thereof for collecting and remitting for checks presented through the Federal Reserve Banks as agents.

It is charged generally that this whole muddle is due to the abuses on the part of a few banks, that charged as high as \$2.50 per thousand dollars under the old system for remitting to cover checks drawn by their customers.

Our investigation showed conclusively that 85 per cent of the banks remitted on a basis of not to exceed one dollar per thousand, a large number charged only 50 cents, another large number made a charge of 5 cents per hundred with a maximum of 25, 50, or 75 cents; Some charged but 5 or 10 cents per letter regardless of its total; still another large number remitted before the inauguration of the Federal Reserve Clearing System without any charge. So the abuse was really on the part of only a few, and it is certainly not right that all of the country banks should be obligated to render a service entailing labor, time, expense, without the right of compensation because of the wrong doings of a few, and I am confident that if the public understood the situation it would not demand free service.

I can say that the Committee of Five is still on the job, and is going to do everything in its power to the end that the question may yet be solved in a way that will be satisfactory to the banks and to the business interests. This it can do only when you gentlemen and the bankers in all other states stand squarely behind the Committee and do your part.

Preferential Rates.

The THIRD problem is: That of a preferential rate on Trade Acceptances. The Federal Reserve Banks have been granting a rate on Trade Acceptances of about one-half of one per cent under the discount rate for single name commercial paper. Observing this, many of the merchants, manufacturers, jobbers and wholesalers who are using the Trade Acceptance feel that the member banks should give them the benefit of the reduced or preferential rate, at least one-half of one per cent lower than the rate on other commercial paper. This is a question that time and other elements must solve.

It is my opinion that as far as the preferential rate is concerned, the Trade Acceptance will receive the same acid test that does other commercial paper. The rate will depend upon the quality of the paper, the standing of the acceptor and drawer, the money market, etc. We now have a seller's market wherein the bankers have full demand for practically all of their funds at high rates. This being true, it is not likely as long as good paper is available, that the banks will give a preferential rate on all Trade Acceptances. They will, however, give a preferential rate on such Trade Acceptances as are truly prime bills.

The rates also hinge upon the FOURTH big problem which confronts the bankers; that is, the development of a comprehensive open discount market. This problem, I feel, is progressing as rapidly as can

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be expected. Two important banking corporations, the principal business of which will be buying and selling Acceptances, dealing in foreign exchange, promoting foreign trade, etc., have been organized. Another \$10,000,000 corporation which will be known as the Discount Bank of New York, will likely be in operation within a very few weeks.

The Savings Bank laws of the states of New York, Massachusetts and California, were recently amended so as to provide that Savings Banks may invest part of their funds in prime bank acceptances. A movement is on foot to get further amendments which will authorize the Savings Banks to invest in Trade Acceptances when endorsed by Federal Reserve member banks or by banks and trust companies organized under the laws of the states wherein the Savings Bank purchasers are located. This would open quite a large field. Further, a large number of the banks scattered throughout the country have surplus funds during certain seasons of the year. These banks have heretofore invested these surplus funds in so-called commercial paper bought through note brokers. Many of these paper buying banks are now ready to turn their attention to the investment of their surplus funds in Trade Acceptances so that the question of market is really developing satisfactorily.

A number of people are fearful that the inauguration of the Trade Acceptance plan may disturb the cash discount scheme that is so popular in a great many lines. Up to the present time our efforts have been devoted entirely to the idea of substituting the Trade Acceptance for the open book account. In so doing, some firms have revamped their selling terms,

eliminating the cash discount entirely, and placing their business on a strictly Trade Acceptance basis. In the state of Washington the millers, through their association, have worked out a plan whereby sales are made on the Trade Acceptance or spot cash basis only.

We all know before the passage of the Federal Reserve Act, we had a faulty currency system. The currency did not expand and contract with the seasonal and unusual demands. In order to get cash capital, the competition due to a rapid growing country and the unstable conditions of our credit system made it necessary to offer terms in the various trades that now appear to be unwarranted and which might to the advantage of buyers, sellers and consumers, alike, be revamped.

2% 10—net 30 day terms, where the bills are discounted, place the rate paid by the seller for the funds at 36% per annum. Is there any reason why any reliable concern dealing with a reliable buyer, should, under our modernized banking system, pay any such rate for the use of the money? It may be desirable later to thresh out the matter of the soundness of the cash discount system, but we are now, as stated before, concerning ourselves only with the substitution of the Trade Acceptance for the open account end of the business.

Why Are Bankers Concerned?

You may ask why the bankers should be concerned with this question.

In the first place, there are, no doubt here, many whose institutions have comparatively small capital and who have customers who, because of the 10% rule, cannot be accommodated at home. Many of you may, therefore, through the use of the Trade Acceptance be enabled to handle the entire lines of some of the very best people in your respective communities and whose business you are now obliged to pass up to the larger cities.

Every banker is concerned with any movement that will stabilize credits and will provide a closer and better check and supervision over the merchandise transactions against which loans are made.

Many believe that the use of the Trade Acceptance would have a tendency to remove merchants from the field of banking.

It is not necessary to stretch one's imagination very much, in order to foresee a development which may make it desirable for the Federal Reserve Banks to become central agents on behalf of their respective members for the purchase and sale of this class of paper. (These operations should be limited to banks. It is not the purpose that Federal Reserve Banks shall engage in the field of commercial banking and deal with the public. They are essentially reserve institutions.) For illustration, the banks of certain communities that have surplus funds during a particular season of the year might purchase Trade Acceptances from their Federal Reserve Bank—the Federal Reserve Bank having rediscounted them for banks in another section where there is a scarcity of funds. This practice would yield better returns than are now derived from the placing of such funds temporarily on deposit with reserve agents or other banks.

Another very important point is that world-wide conditions have brought upon the industrial, commercial and financial interests of this country the greatest responsibilities that they have ever faced. In order to meet these responsibilities and to place America in a position to make a creditable showing

in her fight for a fair share of the world's commerce after the war, it will be necessary to whip every dollar's worth of credit into such form as will enable it to render the maximum of service.

The response of the banks to the call of the Nation in every activity since the declaration of war has been magnificent. I am confident that every banker can be depended upon to do everything in his power to aid the Government until victory for America and her allies in this great struggle for human freedom and independence shall have been obtained. You are mighty proud of the first million American boys in France. You will send a million more like them and you will back them with every dollar and every ounce of energy at your command.

Remember the strength of our credit and financial system will be taxed to the limit. We must strengthen and fortify them wherever possible. The fact that the Trade Acceptance will serve as the basis of currency issue alone justifies its use wherever practicable.

I shall be happy if the information furnished by the special committee of your Association and the American Trade Acceptance Council, together with what I have said here, will result in your returning to your respective communities determined to use your best efforts to the end that all prospective users of the Trade Acceptance shall be thoroughly informed as to its merits.

You will be interested to know that the bankers associations of sixteen states have gone on record at their recent conventions as favoring the widest possible use of the Trade Acceptance on the ground that its use will improve the credit system and strengthen the financial position of the entire country.

We shall be pleased to respond from our New York office to any inquiries that you may desire to make regarding the Trade Acceptance. We are working with, and for you, and we want you to feel free to call upon us at every opportunity. (Applause!)

President Green: We enjoyed that splendid message that Mr. Thralls has taken the trouble to come from New York to deliver to us, and we all appreciate it.

We have with us today the Governor of the Federal Reserve Bank of the Ninth Federal District. You have heard him before, but that does not make any difference. The only difference it makes, if it makes any, is that we are more anxious to hear him again. I know he has a message for you. I take much pleasure in introducing Governor Wold. (Applause!)

Governor Wold:

The task of a man who endeavors to analyze the situation that at this hour prevails over the greater part of the world, and tries to draw conclusions as to the future, is difficult indeed. Eighteen hundred years of Christian civilization has contributed immeasurably to the material, and mental advancement of humanity, and now it seems that this great store of human skill and knowledge has been made the instrument of diabolical suffering to both the great and small nations of the world and has been used to turn loose upon them the mightiest forces of which, we have ever dreamed. The advancement of centuries is not being used to upbuild the world and carry humanity forward to greater heights of achievement, but to tear and rend and destroy all that the mind and hand of man has been able to build up.

This is an impression that from time to time

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comes to each one of us. It is natural that a man who has labored hard to achieve a purpose should feel a sense of discouragement when the fruits of his labor are in danger. We shall make a serious mistake, however, if we view the present in a different, and I think in its proper light. While ancient monuments are crashing down under the gun fire of the Huns on the Western front, and while many of the deeply rooted habits of men and nations are being changed over night, we must realize that the world is undergoing a purification by fire and sword, which is ruthlessly testing everything that we have clung to or believed in, in the past. We have come to a time when only those things which are founded upon the common principles of justice and humanity can survive.

Right is still right, wrong is still wrong, and those that have lifted themselves up in pride in their ambition to dominate the world, will answer finally before the tribunal set up by allied civilization, just as they will before the judgment bar of God, for their crimes against peace, against nations, and against the rights and persons of individuals.

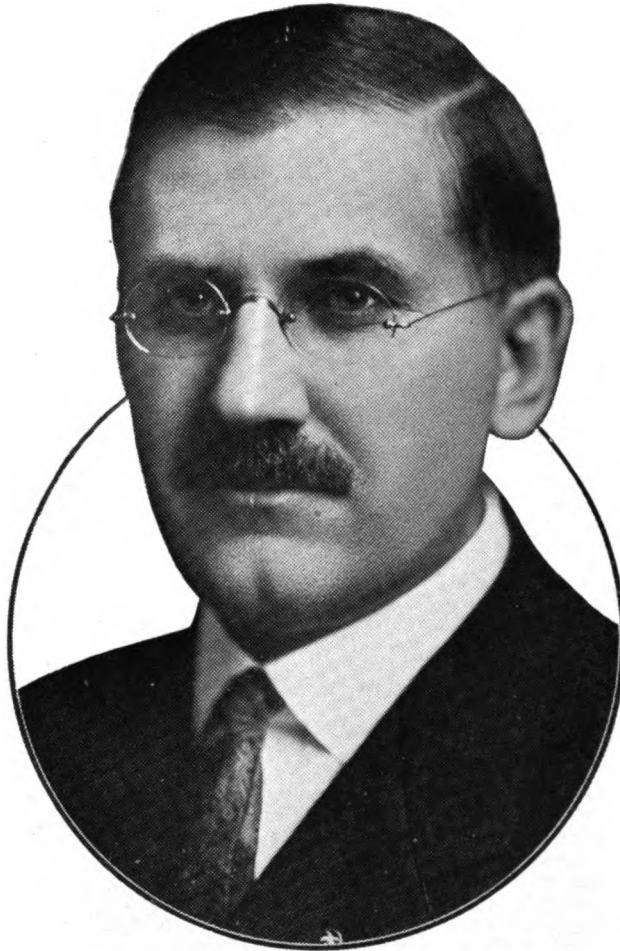
"The mills of God grind slowly but they grind exceeding fine."

The mightiest armies of the Huns may devastate peaceful lands, they may destroy the priceless monuments of antiquity, they may subject women and peaceful old men, and even populations, to torture, death and destruction, but they cannot crush the hopes of free men, the principles of justice, liberty and democracy, nor can they more than temporarily interfere with the steady advance of Christian civil-

ization. Principles are mightier than armies, and the justice of God is more terrible than the mailed fist of the German Kaiser. This war will not be won by those who believe alone in the mightiness of the sword. It will be won by those who have behind the bayonet point, the kind of principles and convictions that stir the hearts and hopes of enlightened men.

The Litany of the Church of England still contains a line which carries our minds back several hundred years. It reads "From fire and storm and sudden death, and the fury of the Norseman, Oh God, deliver us." Again Christian civilization is threatened by the onrushing hordes of paganism and barbarism. The Emperor of the Germans refers familiarly to the "Good old German God." We know now the struggle is not between opposing nations, but has a much more serious and deeper significance than that. It is the struggle between those who believe in reality in the omnipotency of the mighty god Thor or the god of Mohammed, and those who are the reverent followers of Jesus of Nazareth. There cannot be two gods in the heavens. Either our conceptions of justice and humanity, of brotherly love, and of the rights of all humanity to live in peace in the world, are true, or everything that we have built up in 1800 years is lost. Such a conception is unthinkable. The time has now come when every man who is a defender of Christian civilization will personally challenge this pagan defiance of enlightened humanity, and back his words with a blow.

Three men, who stand out as great and powerful figures in the present world conflict, have within a



GOVERNOR WOLD

of the Ninth District Federal Reserve Bank, Minneapolis.

comparatively short period summarized their principles and beliefs and the ambitions of their respective nations in terse and decisive language. I want to read to you what the Emperor of Germany, during the first year of the war, said in an official proclamation to his army in the East, and I want to ask you if any honest man can listen to those words without feeling the fires of righteous anger burn in his heart. The Kaiser said to his soldiers:

"Remember that you are the chosen people.

"The Spirit of the Lord has descended upon me as the Emperor of the Germans.

"I am the instrument of the Most Highest. I am His sword.

"Woe and death unto those who resist my will.

"Woe and death unto those who believe not in my mission."

Three weeks ago a tired and weary man sat as a member of a little Baptist congregation in a small church in Wales. His brethren asked him to say a few words, and David Lloyd George, Prime Minister of England, and a man who will go down in history, I believe, as the really great commoner, made one

of the most significant declarations since the beginning of this conflict. He spoke without reservation of the terrible sacrifices that the allies are making and must still make, but with unfaltering courage he pointed out that the British empire, France, America and Italy will go through to the end, whatever that may be. He spoke not so much of the present, as of the world of the future. He spoke of the lands to which the brave boys who are fighting over there, will eventually return. He said we cannot submit to a world that will be ruled by mammonism, or controlled by the rich and powerful. Neither can we endure a world governed by radicalism and socialism, in which the common rules of law and order are set aside. Poverty, the great curse of England, he declared, must be done away with. The coming world must be a world of free opportunity, and of tolerant consideration one for another. In closing his remarks, he asserted with powerful emphasis that the nations of the future must be governed by the principles that we exist for, and which are of benefit to all classes of the population and each and every citizen equitably and fairly, and that true democracy must be the keystone of the arch.

In a land where wealth and caste have always counted for much, I doubt if any English statesman has ever made a more courageous declaration.

Then again, I want to quote the words of the President of the United States, delivered last Thursday upon the anniversary of American independence before the tomb of George Washington on the wooded slopes at Mount Vernon. He said:

"There can be no thought of peace which does not mean the destruction of military autocracy, or its reduction to virtual impotence. A reign of law, based on the consent of the governed and sustained by the organized opinion of mankind, is the object of humanity in the world war. There can be but one issue. The settlement must be final. There can be no compromise. No half-way decision is conceivable. The United States and the Allies will not sheathe the sword in the war against the Teutonic powers until there is settled once for all, *and for all the world*, what was settled in the United States in 1776."

Here we have the declaration of three mighty leaders. If I were a judge upon the bench, I should say that the weight of the argument is strongly against the German Kaiser. My verdict would be that of the President, as he expressed himself in the ringing words I have just quoted.

I have not come to debate the causes or defects of the world war, but to discuss with you the question of what our individual responsibilities are, at this time. I have come to say to you that the hour has struck, when every man in this room must pay back to the United States Government something,

as a contribution of his brain or his hands, for the rights and privileges and prosperity which the United States Government has afforded him here in a free land where opportunities have been open to all.

There should be a feeling of pride on the part of every one of us that the opportunity to render a just compensation has come. Nowhere in all the world is there a land of better or freer opportunities than here in North Dakota, and nowhere is there a land to which all who are willing to work have been more cordially invited.

Wealth has accumulated, and those who have shown thrift, and energy and industry have prospered exceedingly well. The land of the buffalo and the antelope has become the bread basket of the allied armies.

Here in this state, there rests upon the citizens a double responsibility. You are called upon, more than most of the citizens in this United States, to sustain the fighting power of our armies by keeping your agricultural production at the highest possible point. You have as well, the common obligation that rests upon every American, of standing squarely behind the government and supporting it vigorously in the successive war loans, and in all of the activities that lie behind the determination of the American people to create and maintain what the President has so aptly called a reign of law, sustained by the organized opinion of mankind.

The present financial burden is extremely heavy. You, as bankers, are very fortunate in the fact that because of your leadership in your communities and because of the nature of your business, there are opportunities open to you to help your Government,

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in solving your help proposition.

Dictate any time. Your letters will be written when you return from that appointment. Your bookkeeper will do it for you. :: :: :: ::

THE DICTAPHONE

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which are not open to most citizens. We are called upon in this Federal Reserve District to take successive issues of United States Treasury Certificates, totaling \$26,000,000 every two weeks. The organized co-operation of all of the banks is imperatively necessary in the discharge of this responsibility and is being obtained through the leadership of the reserve bank, and the certificate selling organization headed by Mr. C. T. Jaffray of Minneapolis. The seriousness of the task allotted to us need not be minimized. This call represents each month approximately five per cent of our banking resources, and it is not a matter that we can afford to slight, or ignore. Unless the Government can have the frank, cordial and voluntary co-operation of the bankers and citizens in its financing, it has only one alternative, and that is to call and obtain the funds to meet its requirements, by taxation. I am sure that as a matter of loyalty first, and also as a matter of sound business judgment, that no banker would prefer a cancelled tax receipt to the safest and highest class of interest bearing paper that is issued in the world.

I remember some of the earlier issues of Treasury Certificates when the allotment to this district was only a fraction of what is called for every thirty days now, and I remember how anxious and worried some of us were at the reserve bank for fear that we would not be able to reach the figures set for us. It was a surprise to me then, and has been continually since, to find that each time we have not only been able to do our part, but have been able to do much more. I think when we reflect that in the last Liberty Loan campaign the Ninth Federal Reserve District led the entire United States with an oversubscription of 72 per cent, that we need have no apprehension of our ability to fully meet any demands of the Government in the future. We cannot, of course, achieve this result except by hard work, but the brains and ability are here, the willingness is here, and the determination to succeed is here.

We cannot have our cake and eat it too. If the Government borrowing is to be on such a scale as this, private borrowing must be curtailed in whatever measure is necessary. The Government demands come first, and must be met first. Restriction of unnecessary credit is therefore not only desirable but absolutely imperative.

Through the Capital Issues Committee, and its sub-committee, the Government is seeking to defer all unnecessary capital expenditures. It is requesting municipalities, counties and states to put off for the present, improvements that make demands upon credit, funds, labor or material. If it is a matter of public necessity to curtail and restrict such enterprises, it is equally necessary to put some curb on the unrestricted borrowing of individuals, firms and corporations. The Government advises at this time that credit should not be extended except for those things that are necessary in wartime. Its position is very clearly indicated in the instructions of the Capital Issues Committee to applications for the approval of proposed issues of securities, which are as follows:

"The applicant must give explicit reasons why the proposed issue cannot be postponed, and why the necessity for the same is greater than the paramount need of the National Government, to conserve and use the financial resources, material and labor of the country for the prosecution of the war."

This is, I believe, a very good rule to apply to the borrowing of every customer of every bank.

Necessary business will of course go on as usual. It must go on. It would be most unfortunate if a slump in trade should occur at this time. But on the other hand, every banker knows that current operations include a substantial number of loans which are not strictly speaking, necessary in war time. These are for permanent improvements upon farm, for the enlargement of business buildings, for the creation of facilities to extend business into new fields, and for similar purposes. We hope that the end is not far off, but it is not only reasonable, but very sound judgment, to take the view that until victory comes, business can get along with its present facilities, and individuals can restrict themselves in a certain degree, in order to help their Government.

I believe that such a process of curtailment as this will be sufficient, and that if we can eliminate unnecessary things, and hold loans down to those projects that are justifiable in wartime, that we will have conserved credit in such a degree that we can fully meet the demands that come from Washington.

The man who borrows for an unnecessary purpose is not a good citizen. If he understands that his unnecessary borrowing is just the same as putting sand on the track or putting tacks on an automobile road, and that it hinders and obstructs the Government in exact proportion to its size and importance, he will not wish to be put in the class of those who are not helping to win the war. He will gladly and voluntarily conform to a more strict program. Bankers are therefore in a position to advise with their customers and to help the Government by seeing to it that every man in their community understands the Government's necessities and is doing his best to conserve.

I wish to speak of another extremely important matter. The banking resources of the United States are greater than those of any other nation in the world, but they were, up until the beginning of 1914, useless to a very large extent, because they were unorganized and lacked any power of action or expression. Since that date our banking reserves have been mobilized in the Federal reserve banks. An elastic currency system has been adopted. A discount market has been created. The isolation of banks under the old system has been broken down. A large part of the banking power of the country has been organized in such a way that the Federal Reserve System and its member banks are now virtually the financial backbone of the nation. Whether a bank is a member of the Federal Reserve System or not, it still enjoys the benefits which would be denied it if it had not been for the founding of the Federal reserve banks. At the present moment, when the demand throughout this district is and has been for some time, extremely heavy, banks are borrowing freely from correspondents that except for the Federal Reserve Bank of Minneapolis would have been compelled some time ago to severely restrict their loans. The rapid expansion of discounted paper in the institution I represent, is an index of the credit that has been made available to firms and individuals, which would not have been available except for the Federal Reserve System.

Before the outbreak of the war, I had some hesitation in urging membership upon state banks, but the war has changed that, and in this time of national emergency. I want to say as pointedly and emphatically as I can, that it is the duty of every state bank that can qualify, to take membership at once.

In wartime it is not fair that the burden of main-

Where Shall I Get It?

is a perplexing question sometimes to a banker, as so many elements enter into it.

For example, you want to be sure that you are ordering from a house that has what you want—a very important consideration these days when stocks in many establishments are low or entirely depleted. **Can you get prompt delivery?**

Then you want to combine orders to save freight and the annoyance of carrying several accounts. Naturally, you will prefer to get your orders filled by a bank supply house that can take care of all your needs.

Furthermore, prices must be right, goods exactly as represented, and the house back of those goods **financially responsible** and **humanly capable**.

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taining the financial stability of the United States should fall only upon the banks that are members of the Federal Reserve System, especially when all banks are receiving substantially the same benefits. It is not fair that when the Government needs the full banking power of the nation behind it, that it should be able to obtain only that portion of our banking power which is organized.

Much may be said from a purely banking standpoint about the advantages of membership in the Federal Reserve System, but I shall not have the opportunity in this address to enter upon a discussion which involves so many points that require careful explanation. I shall content myself with the assertion that after four years of experience, it is not yet apparent that the disadvantages of membership are at all important or that they relate to anything more than minor matters. If this were not true, there would have been some objection before this date, from the more than 450 state banks and trust companies that now enjoy membership. I think it can be shown that membership involves no inconvenience to the applying bank, that it involves no financial loss, while upon the other hand it provides an insurance against the future, and a degree of protection and safety which cannot be obtained by any other process.

In this Federal Reserve District, state banks and trust companies with aggregate resources of \$73,000,000 have become members, but at the same time there are still 607 banks and trust companies that are eligible, but have not yet entered the system. To these I should say that as a matter of safety and protection to themselves, as a method of permitting themselves under the heavy stress of war time necessity, to loan closer than before, and do it with perfect safety, and finally as a matter of patriotism, and as evidence of a desire to put their part of the banking power of the country fully at the disposal of the Government, that they should not hesitate to act promptly and effectively upon this important subject. It is true that the power of the Federal Reserve System is very great, but no one can say what organized banking power we shall need in the future. My advice to bankers is that upon so vital a matter, we should not take a chance. We should endeavor to build up this bulwark of protection as rapidly as possible. There is not to my mind, any such thing as too much protection or too much safety in the banking business.

During recent months we have witnessed a most remarkable increase in the gold resources of the Federal Reserve Banks, which have in their possession at the present time approximately \$2,000,000,000 in gold. Gold is the basis upon which our whole financial structure is founded. It is the medium of settlement between the United States and all but two or three of the nations of the world. It is the metal which best represents the real financial power of a nation, especially in war time. Although the accumulation of gold in the Federal Reserve Banks has been large, there is still approximately \$500,000,000 afloat in the hands of the banks of the country or available to them by the process of segregating it as it flows in and out in the ordinary course of business. This gold ought to be in the Federal Reserve Banks. Commercial banks are no longer paying out gold. In their hands the coin and certificates represent only their face value. In a Federal Reserve Bank, this same gold becomes the basis for Federal Reserve note issues, and the ability of a reserve bank to meet the currency demands of its district, depends largely upon its gold holdings. Used as a

basis for note issue, the gold acquires a great expansive power. So necessary has it been to increase the gold holdings of the Federal Reserve Banks that the institution which I represent has absorbed something like \$25,000 of abrasion upon coin shipped to it, paying shipping charges and charges upon Federal reserve notes sent in exchange. These notes in the hands of state banks are as good as the gold, and are equally satisfactory as reserve.

A highly important service may be rendered by the banks which still hold gold, if they will take advantage of this opportunity to get rid of it without loss, and ship it to us. We shall appreciate their co-operation and will be glad to receive such shipments as they may be able to send.

As a final word, I should like to leave the banking subject and speak about our relations as men and friends. We shall feel little satisfaction when the present great national emergency is over, unless we can look back upon a record of single hearted service to the Government. There has been a remarkable drawing together among bankers. The work of these great loan campaigns, which have so well demonstrated the loyalty of the banking fraternity in this district, has created new understandings. It has given each man a better measure of his fellows and a better comprehension of their worth.

A very famous man once remarked as a rather bitter jest, "If we do not hang together, we shall hang separately." Something of the truth of this remark may be applied to those of us who are in the banking business at this time. The problems that we have before us are not the problems of bankers as a class, of business men as a class, or of farmers. They are vital problems affecting a great and progressive free people.

While our responsibility may not be greater than that of other men, there will rest upon us a responsibility which will be proportionate to our opportunity to serve and our ability to do. I think that at the final judgment, all men will not be judged alike, but those who were more foresighted than others will be held the more responsible, because they, with clearer minds, had also a clearer view of what was right and what was just. Perhaps we may say the same of men in this nation who are so placed that they are of value to their Government. Their Government will and should hold them responsible for the highest measure of service. I am satisfied that only by such service will they be able to look back with pride and satisfaction, when the time comes to transfer the burden to younger shoulders.

We have a responsibility not only for the present, but for the future. Our sons and those whom we love well, are at the front fighting our battles for us. They went because they were better men for the tasks that have been delegated to them. They will come back in honor, when the fight is won.

To us, who have remained at home, is delegated the responsibility of safeguarding the internal life of the nation. We must look forward to the United States of the future, to which these war worn boys are coming back. We must see that it is still a land of which they can be proud. We must see that the principles of justice, founded upon the common rights of humanity, as our President and the English Prime Minister have so eloquently said are vigorously maintained. We must ruthlessly stamp out the propaganda of those whose only capital is the discontent of the less discerning element of the population, and we must deal vigorously with all of those who seek to shake the people's confidence in a wise and well-ordered Government which has up to this

time, at least, protected the liberties, opportunities and freedom of action of all its citizens.

These are not tasks that any man alone can perform. They are responsibilities which we must bear jointly and I appeal to you, that the time has now come when every banker must extend his hands to his neighbors on either side inviting them to counsel with him, work with him, to know him better, and to help him in creating the harmony of purpose that is behind all true and efficient co-operation.

By cities and towns, by counties and by states, we should seek to gather together as opportunity may present to exchange opinions, to listen to wise counsel, and to consult as to the best methods by which our general responsibilities may be discharged.

If it is true, as I believe, that "the Kingdom of Heaven is within you," it must also be true, as I verily believe, that the rewards of a man's life may be found in his own heart if he has the satisfaction of duties well performed, and the conviction that in service to the state, he has not been lacking.

I know that in these days money rewards are not satisfying our friends in the banking business, and that bankers are not considering profit as they once did. They are seeking to do the things which the Government has delegated to them to do. This is the true American spirit, and in it lies the building up of the national feeling which we have thought at times in the past has been lacking. The true American spirit is the spirit of service.

Knowing the bankers in the Ninth District as I do, I can feel nothing but certainty that in completing these tasks which were new and strange to us when we began, we shall make a record which will represent a contribution to our Government, of which we all may be proud. The final score will be one that will bring pleasure to our hearts through all our later days.

In thanking you for the pleasure I have had in being with you and in discussing subjects in which you are not less interested than I am, I want to say that the verdict of the West has never been in doubt. We are with the President. We are behind our boys who are at the front. We are bearing our responsibilities gladly and willingly and we are doing our whole part.

Standing shoulder to shoulder we shall fight through to the end. (Applause!)

President Green: I want to thank you on behalf of the Association, Mr. Wold for your address.

We will have the report of the Committee on Nominations now.

Report of Committee on Nominations.

To Members of the North Dakota Bankers' Association:

Your Committee on nominations respectfully reports as follows:

For election at this meeting, we recommend for President, Mr. J. L. Bell, present Vice President of the Association.

For Vice President, we recommend Mr. J. J. Earley, President of the Bank of Valley City, Valley City.

Respectfully submitted,
J. J. MURPHY, Chairman

Mr. Beckwith: Mr. Chairman, I move that the report of the committee be accepted and approved and that the Secretary be instructed to cast the ballot of the members assembled for the two members mentioned, Mr. Bell and Mr. Earley.

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Motion seconded. The motion prevails.

President Green: I therefore declare Mr. J. L. Bell elected president, and Mr. J. J. Earley elected vice president of the Association. If the gentlemen will please come forward I shall be glad to turn over the affairs of the Association to their guiding hands. I take much pleasure in introducing to you your new president, Mr. J. L. Bell, of Bismarck.

Mr. J. L. Bell: I thank you, gentlemen. The committee who escorted me to the platform forbade me to bring my coat with me; therefore you see me in my present condition.

When I went to school and studied rhetoric I was taught that you should not descend from the sublime to the ridiculous. In the Secretary's office in Fargo there is a gallery of photographs of the past presidents of the Association who have guided the fortunes of the Association in the past. For that reason I am afraid that the committee that made the selection of me as president have made the mistake against which I was warned years ago; they have descended from the sublime to the ridiculous. Nevertheless I am proud and I feel honored to be selected as president of this Association, which comprises in its membership the bankers of this state. There is no body of men in the United States more loyal and more thoroughly American than those who constitute our State Bankers' Association. From Pembina to Bowman, from Williston to Wahpeton, they have shown their patriotism at every turn. They have given freely and gladly of their time and money and energy in support of all the great patriotic movements which have characterized the progress of this war. To quote the poet, we

shall have to hitch our wagon to a star if we hope to be leaders and not followers in this day of big things.

President Green: Ladies and gentlemen, I present to you your new vice president, Mr. J. J. Earley, of Valley City.



MR. J. J. EARLEY

Vice President North Dakota Bankers Association.

Mr. Earley: Mr. President, this is a poor time for a Scotchman; no matter what position he may be called to or what duty he may be asked to perform he must do it without complaint, and refusals are not even considered, and although many in this convention would be more capable in the position to which you have chosen me than I can hope to be, I will not refuse. Neither will I be so foolish, so unfair to you and myself, as to fail to mention my appreciation of the honor and my thanks. It would be unfair to you to make any lengthy speech at this time, so I close with saying I thank you for the honor and will endeavor to do my duty.

President J. L. Bell takes the chair.

President Bell: The various group meetings throughout the state have each selected one member for the Executive Council. The list of names is in the hands of the Secretary and he will read them to you and we shall then accept or reject the names for new members of the Executive Council for next year.

Secretary Macfadden: The new Members of the Executive Council nominated at the various Group Meetings are as follows:

2nd District—C. H. Doyon, of Doyon.

3rd District—G. H. Nesbit, of Fargo.

4th District—Wm. Roberts, of Colfax.

5th District—E. F. Volkmann, of Fessenden.

Missouri Slope District—Thos. E. Hayward, Beach.

N. E. District—C. D. Lord, of Park River.

N. W. District—G. L. Gould, of Glenburn.

President Bell: You have heard the names of the nominees, what is your pleasure?

Mr. Peterson: I move that they be elected.

Motion seconded. The motion prevails.

Mr. W. C. McDowell: After the address of Mr. Thralls to this convention it would seem fitting that this Convention take some action in regard to the Trade Acceptance proposition which, while it may not be extensively material to North Dakota bankers at this time, no doubt is a proposition that we will have to consider. I would like to move, Mr. President, this resolution;

Resolved, That the North Dakota Bankers' Association in Convention assembled, hereby commends the use of Trade Acceptances as a means of improving the credit system and strengthening the banking system of the country.

Be It Further Resolved, That this Association recommends that its members use their best efforts, to further their use.

I move the adoption of this resolution.

Motion seconded. The resolution is carried.

President Bell: The next on the program is the selection of a place for holding the next annual Convention.

Mr. H. C. Aamoth: On behalf of the business men and bankers of Valley City I take pleasure in extending to members of this Association a cordial invitation to hold their next Convention in Valley City.

Motion seconded.

The Secretary reads the following telegrams:

Grand Forks, N. D., July 11.

North Dakota Bankers' Association, in Convention
Mandan, N. D.:

Grand Forks extends cordial invitation to North Dakota Bankers' Association to hold nineteen-nineteen convention in our city. Will try to co-operate in making your meeting held here one to be remembered with pleasure. Will make the city yours.

H. M. WHEELER, Mayor.

Valley City, N. D., July 11.

North Dakota Bankers' Association, Mandan, N. D.:

On behalf of Valley City as its mayor we invite you to hold your 1919 convention in our city. We will do all in our power to make meeting pleasant and profitable.

I. J. MOE, Mayor.

Valley City, N. D., July 11.

State Bankers' Association, care W. C. Macfadden,
Secretary, Mandan, N. D.

Valley City Commercial Club invites you to hold 1919 convention at Valley City.

L. S. WARD, President.

President Bell: You have heard the invitations from Grand Forks and Valley City. Are there any others? If not we shall vote on the selection of a convention place for next year.

By a rising vote Valley City was declared selected as the place for the next annual convention.

President Bell: Valley City is therefore selected for the convention site in 1919. I am sure we shall go there with a great deal of pleasure. No doubt at a later time Grand Forks will be honored.

The next on the program is the appointment of



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CHAS. W. RIECKS Vice President

ERNEST STAUFFEN, Jr.

Vice President

JOSEPH A. BOWER

Vice President

JAMES G. ELAINE, Jr.

Vice President

FREDERICK W. WALZ Cashier

FREDERICK P. McGLYNN

Assistant Cashier

THEODORE C. HOVEY

Assistant Cashier

LOUIS W. KNOWLES

Assistant Cashier

SIDNEY W. NOYES

Assistant Cashier

JOHN P. MAGUIRE

Assistant Cashier

Standing Committees. That is a duty which devolves on the newly elected president. Of course I was so much surprised that I have not had time to name the committees. In the next publication of the *North Dakota Banker* we shall try to have them published. Is there any other business?

Mr. Crawford: The duties of the president of the North Dakota Bankers' Association are always burdensome. It means more than to preside at this table during two days of the Annual Convention. I know that because I one time had the pleasure of serving the Association as its president. Our retiring president, Mr. Green, has done a worthy work during his period of service and we have a little custom of presenting to the retiring president a little pin on which is engraved the date and office of such services. Now, Mr. Green, as we stand here before the membership of this State Association I take great pleasure on behalf of the bankers who are here assembled and of the bankers who have returned, in presenting to you this little pin with the cordial regard of the bankers of this state and with the belief that your year of service, which this little token will commemorate, will be to you an event around which memory will hover, and I want you to feel that your work has been appreciated. If you have made any mistakes, those mistakes have been obliterated from the memories of those present and your name will go down in the history of this Association as one of its foremost members, and also your picture will be put upon the walls of the

Association office at Fargo among other men who have preceded you, and that you will look back to this time and this hour and feel that whatever failures ever may come to you in the future, whatever disappointments may come with declining years, that this day and this hour has brought you its compensations. I take pleasure in presenting this token on behalf of the Association of North Dakota.

Mr. Green: Mr. President and Friends: This is the hardest job of the whole year. All the rest of the work that I have tried to do has been a pleasure, but to accept this gift at your hands and thank you in return for it I find I have not the command of language that is adequate or sufficient. All I can say is that I thank you for the honor that you have placed upon me. It certainly is an honor and I fully appreciate it and will treasure this token as long as I live, and it will recall to my mind one of the most pleasant years of my life in the State of North Dakota, serving the best bunch of people in it. I thank you.

President Bell: Immediately following the adjournment there will be a meeting of the Executive Council and all the members thereof are earnestly requested to be present. Is there anything further to come before the Convention? If not the melancholy duty of a motion for adjournment will follow.

Mr. Beckwith: I move we adjourn.

Motion seconded. The Convention adjourned.

MEETING OF THE EXECUTIVE COUNCIL.

Immediately following the adjournment of the Convention a meeting of the new executive council was held. The following members of the Council responded to the roll call: C. R. Green of Cavalier, J. L. Bell of Bismarck, E. F. Volkmann of Fessenden, F. W. Cathro of Bottineau, C. E. Batcheller of Fingal, W. C. McDowell of Marion, Lewis F. Crawford of Sentinel Butte, J. J. Nierling of Jamestown, and J. E. Phelan of Bowman.

Mr. Green was nominated and duly elected chairman of the Council. Mr. Macfadden was re-elected secretary and A. H. Peterson of Mandan was elected treasurer.

A revision of the time lock contract with Wm. J. Hey was referred to a committee consisting of Mr. Nesbit of Fargo and Secretary Macfadden.

Mr. Green announced the rumor that all grain elevators in the State had been taken over by the Council of Defense and that the Council had ordered a moratorium on all chattel mortgages and asked that a committee be appointed by the Executive Council to confer with the Council of Defense. Remarks were made by Mr. Cathro, Mr. Bell, Mr. Batcheller, Mr. Nierling and others. On motion of Mr. McDowell the following committee was appointed: Mr. McDowell, Mr. Green, Mr. Cathro, Mr. Nierling and Mr. Batcheller.

Secretary Macfadden suggested a plan for combining orders of members for certain bank supplies which after some discussion was ordered adopted by the Council and it was also ordered that a new standing committee on "Bank Supplies" be appointed by President Bell.

Mr. McDowell moved that the matter of additional help in the Association office, suggested by President Green in his annual message, be left to the officers of the Association.

The report of the Committee on Immigration was discussed by the Council and on motion of Mr. McDowell the Committee on Immigration were asked to invite a number of successful real estate men to meet with them at their next meeting for the purpose of further discussion of their proposed plan.

No further business appearing, the Council adjourned.

MEMBERS OF THE NORTH DAKOTA BANKERS ASSOCIATION.**National Banks.**

First National Bank, Abercrombie.
First National Bank, Ambrose.
Anamoose National Bank, Anamoose.
First National Bank, Ashley.
First National Bank, Beach.
First National Bank, Belfield.
First National Bank, Bisbee.
First National Bank, Bismarck.
First National Bank, Bottineau.
Bottineau National Bank, Bottineau.
First National Bank, Bowbells.
First National Bank, Bowman.
First National Bank, Brinsmade.
First National Bank, Buffalo.
First National Bank, Binford.
City National Bank, Bismarck.
First National Bank, Buxton.
Bathgate National Bank, Pathgate.
First National Bank, Cavalier.

First National Bank, Cando.
Cando National Bank, Cando.
First National Bank, Carpio.
First National Bank, Carrington.
First National Bank, Casselton.
Cass County National Bank, Casselton.
First National Bank, Churchs Ferry.
First National Bank, Cooperstown.
First National Bank, Courtenay.
First National Bank, Crary.
First National Bank, Crystal.
First National Bank, Crosby.
Citizens National Bank, Crosby.
First National Bank, Devils Lake.
Ramsey County National Bank, Devils Lake.
Dakota National Bank, Dickinson.
Merchants National Bank, Dickinson.
First National Bank, Drayton.
First National Bank, Edgeley.
First National Bank, Edmore.
First National Bank, Ellendale.
Ellendale National Bank, Ellendale.
Farmers National Bank, Ellendale.
First National Bank, Fargo.
Fargo National Bank, Fargo.
Merchants National Bank, Fargo.
First National Bank, Fessenden.
First National Bank, Fingal.
First National Bank, Finley.
First National Bank, Forman.
First National Bank, Garrison.
First National Bank, Goodrich.
First National Bank, Grafton.
Grafton National Bank, Grafton.
First National Bank, Grand Forks.
Northwestern National Bank, Grand Forks.
First National Bank, Hampden.
First National Bank, Hankinson.
Citizens National Bank, Hankinson.
First National Bank, Hannaford.
First National Bank, Harvey.
First National Bank, Hatton.
Farmers & Merchants National Bank, Hatton.
First National Bank, Hettinger.
First National Bank, Hillsboro.
Hillsboro National Bank, Hillsboro.
First National Bank, Hope.
Hope National Bank, Hope.
First National Bank, Hunter.
First National Bank, Hebron.
Citizens National Bank, Jamestown.
James River National Bank, Jamestown.
Farmers & Merchants National Bank, Jamestown.
First National Bank, Kenmare.
Kenmare National Bank, Kenmare.
First National Bank, Kramer.
First National Bank, Killdeer.
National Bank of Lakota, Lakota.
First National Bank, LaMoure.
Farmers National Bank, LaMoure.
First National Bank, Langdon.
Cavalier County National Bank, Langdon.
First National Bank, Lansford.
National Bank of Larimore, Larimore.
First National Bank, Leeds.
First National Bank, Lidgerwood.
Farmers National Bank, Lidgerwood.
First National Bank, Linton.
First National Bank, Lisbon.
First National Bank, Litchville.
First National Bank, Mandan.
Merchants National Bank, Mandan.
First National Bank, Marion.

BANK BURGLARY

The Farmers State Bank of Alsen was burglarized on the morning of August 3rd. Loss was settled on the afternoon of August 4th.

Have You all the Burglary Insurance You Need?

**Are your Liberty Bonds and War Savings Stamps—
either owned by the Bank or left with you for safe keeping—
covered by Burglary Insurance?**

**The North Dakota Bankers Mutual Casualty Company
FARGO, NORTH DAKOTA**

First National Bank, Marmarth.
First National Bank, Mayville.
First National Bank, McClusky.
First National Bank, McHenry.
First National Bank, Milnor.
Milnor National Bank, Milnor.
First National Bank, Milton.
First National Bank, Minnewaukan.
Second National Bank, Minot.
Union National Bank, Minot.
First National Bank, Mohall.
First National Bank, Mott.
First National Bank, McVie.
First National Bank, Munich.
First National Bank, Medina.
First National Bank, New England.
First National Bank, New Rockford.
First National Bank, New Salem.
First National Bank, Northwood.
Citizens National Bank, Northwood.
First National Bank, Neche.
First National Bank, Oakes.
Oakes National Bank, Oakes.
First National Bank, Omemee.
First National Bank, Osnabrock.
First National Bank, Page.
First National Bank, Park River.
First National Bank, Plaza.
Farmers National Bank, Portland.
First National Bank, Portland.
First National Bank, Reeder.
First National Bank, Reynolds.
First National Bank, Rock Lake.
First National Bank, Rolette.

First National Bank, Rolla.
First National Bank, Ryder.
First National Bank, St. Thomas.
First National Bank, Sanborn.
First National Bank, Scranton.
First National Bank, Sentinel Butte.
First National Bank, Sharon.
First National Bank, Sheldon.
First National Bank, Sheyenne.
First National Bank, Stanley.
First National Bank, Starkweather.
First National Bank, Steele.
First National Bank, Streeter.
First National Bank, Taylor.
First National Bank, Tolley.
First National Bank, Tower City.
First National Bank, Townner.
First National Bank, Turtle Lake.
First National Bank, Valley City.
American National Bank, Valley City.
First National Bank, Van Hook.
Citizens National Bank, Wahpeton.
National Bank, of Wahpeton, Wahpeton.
First National Bank, Walhalla.
First National Bank, Washburn.
First National Bank, Williston.
First National Bank, Willow City.
Merchants National Bank, Willow City.
First National Bank, Wimbledon.
Merchants National Bank, Wimbledon.
First National Bank, Wyndmere.

State Banks.

First State Bank, Amidon.

- Citizens State Bank, Antler.
 Scandinavian-American Bank, Alexander.
 First State Bank, Alkabo.
 Citizens State Bank, Arnegard.
 Argusville State Bank, Argusville.
 First State Bank, Abercrombie.
 Scandinavian-American Bank, Adams.
 Security State Bank, Adams.
 First State Bank, Adrian.
 Alexander State Bank, Alexander.
 State Bank of Alice, Alice.
 Farmers State Bank, Almont.
 Citizens State Bank, Ambrose.
 Farmers State Bank, Anamoose.
 Aneta State Bank, Aneta.
 Farmers & Merchants Bank, Aneta.
 State Bank of Antler, Antler.
 Bank of Ardock, Ardock.
 First State Bank, Arthur.
 Arvilla State Bank, Arvilla.
 Ashley State Bank, Ashley.
 First State Bank, Ashley.
 Ayr State Bank, Ayr.
 First State Bank, Alfred.
 Farmers State Bank, Alsen.
 State Bank of Aurelia, Aurelia.
 Farmers State Bank, Arnegard.
 Arena State Bank, Arena.
 Farmers State Bank, Anselm.
 State Bank of Alamo, Alamo.
 Slope County State Bank, Amidon.
 Farmers State Bank, Alamo.
 Farmers State Bank, Brantford.
 Capital Security Bank, Bismarck.
 First Guaranty Bank, Bismarck.
 State Bank of Bremen, Bremen.
 Security State Bank, Banks.
 Pierce County State Bank, Balta.
 Baldwin State Bank, Baldwin.
 First State Bank, Backoo.
 First State Bank, Balfour.
 German-American State Bank, Balfour.
 State Bank of Bantry, Bantry.
 Bank of Barney, Barney.
 Citizens State Bank, Bathgate.
 Farmers & Merchants State Bank, Beach.
 Golden Valley State Bank, Beach.
 Farmers State Bank, Baldwin.
 First State Bank, Bergen.
 Bank of Berchold, Berchold.
 State Bank of Berthold, Berthold.
 First State Bank, Binford.
 Bismarck Bank, Bismarck.
 Blabon State Bank, Blabon.
 Blaisdell State Bank, Blaisdell.
 Farmers & Merchants State Bank, Berlln.
 Citizens State Bank, Bisbee.
 First State Bank, Blanchard.
 Bordulac State Bank, Bordulac.
 Bottineau County Bank, Bottineau.
 First State Bank, Bowbells.
 Bowdon State Bank, Bowdon.
 Farmers & Merchants State Bank, Bowdon.
 Emmons County State Bank, Braddock.
 Citizens State Bank, Brinsmade.
 Buchanan State Bank, Buchanan.
 State Bank of Brockett, Brockett.
 First State Bank, Buford.
 First State Bank, Burnstad.
 First State Bank, Barton.
 First State Bank, Benedict.
 First State Bank, Burlington.
 The Union Bank, Pantry.
 Citizens State Bank, Belfield.
 State Bank of Bowman, Bowman.
 Bartlett State Bank, Bartlett.
 Bucyrus State Bank, Bucyrus.
 Farmers State Bank, Bentley.
 Farmers State Bank, Barlow.
 German-American State Bank, Burlington.
 Beach State Bank, Beach.
 Farmers & Merchants Bank, Barton.
 Fiarst State Bank, Beulah.
 Farmers State Bank, Buttzville.
 Farmers State Bank, Buxton.
 Farmers State Bank, Buffalo Springs.
 Burt State Bank, Burt.
 Farmers State Bank, Brantford.
 First State Bank, Bowesmont.
 Farmers State Bank, Baker.
 Security State Bank, Brantford.
 Farmers State Bank, Battleview.
 Farmers State Bank, Belfield.
 German State Bank, Beulah.
 Security State Bank, Bonetrail.
 Security State Bank, Benedict.
 Burke County State Bank, Bowbells.
 Farmers & Merchants Bank, Brocket.
 Farmers & Merchants State Bank, Bowman.
 Farmers Bank, Bergen.
 Farmers State Bank, Braddock.
 Commercial State Bank, Carrington.
 Foster County State Bank, Carrington.
 Merchants & Farmers Bank, Cavalier.
 Cayuga State Bank, Cayuga.
 Bank of Oliver County, Center.
 Farmers Security Bank, Chaffee.
 Christine State Bank, Christine.
 Churchs Ferry Spare Bank, Churchs Ferry.
 Cleveland State Bank, Cleveland.
 Clifford State Bank, Clifford.
 Clyde State Bank, Clyde.
 Cogswell State Bank, Cogswell.
 Northwestern State Bank, Cole Harbor.
 First State Bank, Colfax.
 Colgate State Bank, Colgate.
 Farmers State Bank, Columbus.
 First International Bank, Columbus.
 First State Bank, Concrete.
 Bank of Conway, Conway.
 State Bank of Cooperstown.
 First State Bank, Coteau.
 Stutsman County Bank, Courtenay.
 Farmers Bank, Crary.
 First State Bank, Crosby.
 Security State Bank, Crosby.
 Cummings State Bank, Cummings.
 Crocus State Bank, Crocus.
 Crete State Bank, Crete.
 First State Bank, Calvin.
 Farmers Bank of McKenzie County, Charlson.
 First State Bank, Charlson.
 First State Bank, Carson.
 Farmers & Merchants Bank, Calic.
 Coulee State Bank, Coulee.
 Chaseley State Bank, Chaseley.
 Farmers State Bank, Charbonneau.
 Farmers & Merchants Bank, Clementsville.
 Farmers State Bank, Colgar.
 First State Bank, Crystal Springs.
 Bank of Carbury, Carbury.
 First State Bank, Cartwright.
 Farmers State Bank, Cathay.
 First State Bank, Cathay.
 Farmers & Merchants Bank, Cogswell.
 Farmers State Bank, Coleharbor.

First State Bank, Corinth.
 Security State Bank, Columbus.
 Carson State Bank, Carson.
 First State Bank, Cleveland.
 Security State Bank, Courtenay.
 State Bank of Davenport, Davenport.
 First State Bank, Dawson.
 Dazey State Bank, Dazey.
 Security Bank, Dazey.
 Deering State Bank, Deering.
 DeLamere State Bank, DeLamere.
 Denbigh State Bank, Denbigh.
 State Bank of Des Lacs, Des Lacs.
 Devils Lake State Bank, Devils Lake.
 Dogden State Bank, Dogden.
 First State Bank, Dogden.
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 Citizens State Bank, Douglas.
 Douglas State Bank, Douglas.
 Bank of Doyon, Doyon.
 Merchants State Bank, Drake.
 Citizens State Bank, Drayton.
 State Bank of Dresden, Dresden.
 Driscoll State Bank, Driscoll.
 Farmers & Merchants State Bank, Driscoll.
 Dunseith State Bank, Dunseith.
 Security State Bank, Dunseith.
 First State Bank, Denhoff.
 Farmers & Merchants State Bank, Dickey.
 Farmers State Bank, Des Lacs.
 Farmers State Bank, Drake.
 First State Bank, De Sart.
 First State Bank, Dahlen.
 Farmers State Bank, Danzig.
 Farmers Bank of Dunn Center, Dunn Center.
 Security State Bank, Deering.
 First State Bank, Dunn Center.
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 Farmers State Bank, Dodge.
 Farmers State Bank, Dawson.
 Farmers State Bank, East Fairview.
 Citizens State Bank, Epping.
 First State Bank, Elgin.
 Elgin State Bank, Elgin.
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 Citizens State Bank, Edgeley.
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 Embden State Bank, Embden.
 Farmers Bank, Emerado.
 Citizens State Bank, Enderlin.
 Enderlin State Bank, Enderlin.
 First State Bank, Englevale.
 First State Bank, Epping.
 Farmers State Bank, Erie.
 Esmond State Bank, Esmond.
 First International Bank, Esmond.
 Security State Bank, Expansion.
 Eldridge State Bank, Eldridge.
 First State Bank, East Westby.
 Farmers State Bank, Fairdale.
 Bank of Fairmount, Fairmount.
 Wells County State Bank, Fessenden.
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 Northern Savings Bank, Fargo
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 Security State Bank, Flasher
 Farmers & Merchants State Bank, Fordville
 First State Bank, Fryburg
 First International Bank, Fortuna
 German State Bank, Fredonia
 First State Bank, Fort Clark
 Farmers State Bank, Forman
 Citizens State Bank, Fort Rice
 First State Bank, Fort Yates
 Freda State Bank, Freda
 Farmers State Bank, Falsen
 Fortuna State Bank, Fortuna
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 Falkirk State Bank, Falkirk
 Farmers State Bank, Forbes
 Northwestern Mutual Savings & Loan, Fargo
 Dakota Savings Bank, Fargo
 Logan County Bank, Gackle
 Galchutt State Bank, Galchutt
 Galesburg State Bank, Galesburg

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 Gargena State Bank, Gardena
 Farmers Bank, Garrison
 First State Bank, Garrison
 Geneseo State Bank, Geneseo
 Bank of Gilby, Gilby
 Gladstone State Bank, Gladstone
 Glenburn State Bank, Glenburn
 Lincoln State Bank, Glenburn
 Citizens State Bank, Goodrich
 Northern State Bank, Grand Forks
 Guaranty State Bank, Grandin
 Citizens State Bank, Grano
 Farmers & Merchants State Bank, Granville
 Granville State Bank, Granville
 Farmers State Bank, Great Bend
 Gwinner State Bank, Gwinner
 State Bank of Gardner, Gardner
 Northwestern Trust Company, Grand Forks
 State Bank of Gackle, Gackle
 Farmers State Bank, Green
 First State Bank, Gascoyne
 Security State Bank, Glasston
 Merchants State Bank, Glen Ullin
 Farmers & Merchants State Bank, Grace City
 First State Bank, Grace City
 First State Bank, Glenfield
 State Bank, Grand Rapids
 First State Bank, Golden Valley
 Golden Valley State Bank, Golden Valley
 First Savings Bank, Grand Forks
 Farmers Bank, Golden Valley
 Scandinavian-American Bank, Grafton
 Farmers State Bank, Glen Ullin
 Guelph State Bank, Guelph
 Security State Bank, Golva
 Farmers State Bank, Gwinner
 Citizens State Bank, Grenora
 Farmers State Bank, Grenora
 State Bank of Grenora, Grenora
 First State Bank, Golva
 First State Bank, Grassy Butte
 Bank of Garske, Garske
 State Bank of Guthrie, Guthrie
 Farmers State Bank, Hanks
 State Bank of Hanks, Hanks
 First State Bank, Hague
 Hague State Bank, Hague
 Bank of Hamilton, Hamilton
 Farmers Bank of Hampden, Hampden
 Farmers & Merchants Bank, Hankinson
 Citizens State Bank, Hannah
 Farmers State Bank, Heil
 Hartland State Bank, Hartland
 Heaton State Bank, Heaton
 Farmers State Bank, Hannaford
 Farmers State Bank, Harvey
 State Bank of Hannah, Hannah
 Hansboro State Bank, Hansboro
 Bank of Harvey, Harvey
 German State Bank, Harvey
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 Havana State Bank, Havana
 Bank of Hazelton, Hazelton
 Farmers State Bank, Heaton
 Merchants State Bank, Hebron
 State Bank of Hensal, Hensal
 Adams County State Bank, Hettinger
 Hickson State Bank, Hickson
 State Bank of Hoople, Hoople
 Horace State Bank, Horace
 Farmers & Merchants Bank, Hunter
 Hurdsfield State Bank, Hurdsfield

Hettinger State Bank, Hettinger
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 Farmers State Bank, Hazelton
 Security State Bank, Halliday
 First State Bank, Hamar
 Farmers & Merchants Bank, Hurdsfield
 Harlow State Bank, Harlow
 First State Bank, Hamlet
 Farmers State Bank, Halliday
 Farmers State Bank of Mercer County, Hazen
 Citizens State Bank, Hazen
 Farmers State Bank, Hamberg
 Farmers State Bank, Havelock
 First State Bank, Hazen
 Farmers State Bank, Hebron
 Bank of Inkster, Inkster
 Farmers & Merchants State Bank, Inkster
 State Bank of Jessie, Jessie
 First State Bank, Jud
 First State Bank, Judson
 First State Bank, Juanita
 Kongsberg State Bank, Kongsberg
 Sheyenne Valley Bank, Kathryn
 First State Bank, Kief
 Farmers & Merchants State Bank, Kenmare
 Farmers & Merchants Bank, Kensal
 Kindred State Bank, Kindred
 First State Bank, Kloten
 Security Bank, Knox
 State Bank of Kramer, Kramer
 First State Bank, Kulm
 La Moure County Bank, Kulm
 First State Bank, Kempton
 Security State Bank, Kensal
 Kintyre State Bank, Kintyre
 Security State Bank, Karlsruhe
 First State Bank, Killdeer
 Northwestern State Bank, Killdeer
 Farmers State Bank, Kathryn
 Karnak State Bank, Karnak
 Security State Bank, Kintyre
 Farmers State Bank, Lunds Valley
 German-American State Bank, Linton
 La Moure State Bank, La Moure
 First International Bank, Landa
 Citizens State Bank, Langdon
 Citizens State Bank, Lankin
 First State Bank, Lankin
 First State Bank, Lansford
 Elk Valley Bank, Larimore
 Bank of Leal, Leal
 Farmers & Merchants Bank, Leeds
 Farmers & Merchants Bank, Lehr
 Farmers Bank, Leonard
 First State Bank, Ludden
 Loraine State Bank, Loraine
 First State Bank, Lignite
 State Bank of Lisbon, Lisbon
 First State Bank, Litchville
 First State Bank of Loma, Loma
 Farmers State Bank, Leith
 Pioneer State Bank, Luverne
 First State Bank, Larson
 Farmers & Merchants State Bank, Lakota
 Luverne State Bank, Luverne
 Mountrail County State Bank, Lostwood
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 First State Bank, Lone Tree
 Lefor State Bank, Lefor
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 First State Bank, Logan
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Sheridan County State Bank, McClusky.
McKenzie State Bank, McKenzie.
State Bank of McVie, McVie.
Farmers State Bank, Maddock.
Mekinock State Bank, Mekinock.
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First State Bank, Manfred.
Mercer County State Bank, Mannheim.
Marion State Bank, Marion.
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First State Bank, Max.
Maxbass Security Bank, Maxbass.
State Bank of Maxbass, Maxbass.
Goose River Bank, Mayville.
Bank of Melville, Melville.
Reservation State Bank, Makoti.
First State Bank, Merricourt.
Michigan City Bank, Michigan City.
Nelson County State Bank, Michigan City.
State Bank of Milton, Milton.
Minnewaukan State Bank, Minnewaukan.
Bank of Minto, Minto.
Mohall Security Bank, Mohall.
Mohall State Bank, Mohall.
Bank of Monango, Monango.
Farmers & Merchants State Bank, Monango.

Montpelier State Bank, Montpelier.
Mooreton State Bank, Mooreton.
Mountain State Bank, Mountain.
Farmers Bank, Munich.
First State Bank, Mylo.
State Guaranty Bank, Mott.
Scandinavian-American Bank, Minot.
McGregor State Bank, McGregor.
Bank of Mowbray, Mowbray.
Stockmens State Bank, Medora.
Citizens Bank, Minot.
Farmers State Bank, Marmarth.
First State Bank, Makoti.
First State Bank, Manvel.
Bank of Midway, Midway.
First State Bank, Mercer.
Moffit State Bank, Moffit.
Mercer State Bank, Mercer.
McLeod State Bank, McLeod.
Security State Bank, Medina.
Farmers & Merchants Bank, McHenry.
First State Bank, Minto.
Farmers State Bank, Mesa.
Farmers & Merchants State Bank, New England.
State Bank of Nanson, Nanson.
Merchants Bank, Napoleon.
Stockgrowers Bank, Napoleon.
State Bank of Nekoma, Nekoma.
State Bank of Newburg, Newburg.
Bank of New Rockford, New Rockford.
Farmers & Merchants Bank, New Rockford.
State Bank of New Salem, New Salem.
Bank of Niagara, Niagara.
First International Bank, Noonan.
First State Bank, Norwich.

Farmers State Bank, Nome.
 Security State Bank, New England.
 New Leipzig State Bank, New Leipzig.
 First State Bank, Nome.
 Security State Bank, Noonan.
 Farmers & Merchants State Bank, New Salem.
 First State Bank, New Leipzig.
 First State Bank, Northgate.
 Nortonville State Bank, Nortonville.
 Farmers Bank of Newburg, Newburg.
 Norma State Bank, Norma.
 Farmers & Merchants State Bank, Niobe.
 Citizens Bank, Omeme.
 Bank of Oberon, Oberon.
 State Bank of Olmstad, Olmstad.
 State Bank of Oriska, Oriska.
 Bank of Orr, Orr.
 Great Western Bank, Osnabrock.
 Farmers & Merchants Bank, Overly.
 First State Bank, Olga.
 Overly State Bank, Overly.
 Security Bank of Oberon, Oberon.
 Farmers State Bank, Page.
 Bank of Park River, Park River.
 Bank of Pekin, Pekin.
 Merchants Bank, Pembina.
 Penn State Bank, Penn.
 Bank of Perth, Perth.
 Towner County Bank, Perth.
 Bank of Petersburg, Petersburg.
 Farmers State Bank, Petersburg.
 Pingree State Bank, Pingree.
 Pisek State Bank, Pisek.
 Pioneer State Bank, Plaza.
 Bank of Pleasant Lake, Pleasant Lake.
 First International Bank, Portal.
 Portal State Bank, Portal.
 First State Bank, Powers Lake.
 Farmers Security Bank, Park River.
 Scandia-American Bank, Palermo.
 Citizens State Bank, Pingree.
 Pettibone State Bank, Pettibone.
 Peoples State Bank, Parshall.
 First State Bank, Parshall.
 Prosper State Bank, Prosper.
 Farmers Exchange Bank, Parshall.
 Pillsbury State Bank, Pillsbury.
 State Bank of Powers Lake, Powers Lake.
 Pioneer State Bank, Raub.
 Farmers Bank of Ray, Ray.
 First State Bank, Ray.
 Linwells State Bank, Ray.
 Farmers & Merchants State Bank, Reeder.
 First State Bank, Reeder.
 State Bank of Reynolds, Reynolds.
 First State Bank, Rhame.
 Merchants State Bank, Richardton.
 Richardton State Bank, Richardton.
 First State Bank, Rogers.
 Rolette State Bank, Rolette.
 State Bank of Rolla, Rolla.
 Farmers & Merchants Bank, Rolla.
 State Bank of Ross, Ross.
 State Bank of Roth, Roth.
 Merchants Bank, Rugby.
 First State Bank, Ruso.
 First State Bank, Russell.
 First State Bank, Rutland.
 First State Bank, Ryder.
 Security Bank, Rugby.
 First State Bank, Regent.
 Farmers State Bank, Rhame.
 Regent State Bank, Regent.
 Farmers & Merchants Bank, Robinson.
 State Bank of Revere, Revere.
 First State Bank, Regan.
 First Security Bank, Raleigh.
 Farmers State Bank, Rawson.
 Regan State Bank, Regan.
 Rock Lake State Bank, Rock Lake.
 Roseglen State Bank, Roseglen.
 Farmers State Bank, Richardton.
 Citizens State Bank, Selfridge.
 The Farmers Bank, Sutton.
 Peoples State Bank, Sanish.
 Farmers Exchange Bank, Sanger.
 Farmers State Bank, Sheldon.
 German State Bank, Stanton.
 Rolette County Bank, St. John.
 Farmers State Bank, St. Thomas.
 State Bank of Sarles, Sarles.
 First State Bank, Sawyer.
 Farmers & Merchants State Bank, Sarles.
 Interstate Bank of Billings County, Sentinel Butte.
 Citizens State Bank, Sharon.
 Farmers & Merchants State Bank, Sherwood.
 First International Bank, Sherwood.
 Farmers & Merchants Bank, Sheyenne.
 Mouse River Valley Bank, Souris.
 State Bank of Sour's, Souris.
 Spiritwood State Bank, Spiritwood.
 Citizens State Bank, Stanley.
 State Bank of Starkweather, Starkweather.
 Sterling State Bank, Sterling.
 Stirum State Bank, Stirum.
 Security State Bank, Strasburg.
 First State Bank, Surrey.
 Citizens State Bank, Sykeston.
 Sykeston State Bank, Sykeston.
 First State Bank, Stanton.
 Bank of Scranton, Scranton.
 Spring Brook State Bank, Spring Brook.
 Farmers & Merchants State Bank, Steele.
 Citizens State Bank, Sutton.
 Southam State Bank, Southam.
 Farmers State Bank, Selz.
 Solen State Bank, Solen.
 Security Bank, Sheyenne.
 First State Bank, South Heart.
 German State Bank, Strasburg.
 Bank of Sanborn, Sanborn.
 First State Bank, Strasburg.
 Farmers State Bank, Sanish.
 First State Bank, Simcoe.
 Shields State Bank, Shields.
 First State Bank, Stady.
 Citizens State Bank, Streeter.
 Ransom County Trust Company, Sheldon.
 Taylor State Bank, Taylor.
 Farmers & Merchants State Bank, Thorne.
 Tioga State Bank, Tioga.
 State Bank, Tolna.
 Towner Merchants Bank, Towner.
 First State Bank, Turtle Lake.
 Farmers & Merchants Bank, Tioga.
 Citizens State Bank, Tagus.
 Templeton State Bank, Temvik.
 Tappen State Bank, Tappen.
 First State Bank, Tuttle.
 Trenton State Bank, Trenton.
 Tokio State Bank, Tokio.
 Security State Bank, Temple.
 Pioneer State Bank, Towner.
 Tolley State Bank, Tolley.
 Tuttle State Bank, Tuttle.
 Farmers State Bank, Thompson.

Timmer State Bank, Timmer
 Farmers & Merchants State Bank, Tolna
 Underwood State Bank, Underwood
 First State Bank, Underwood
 Security State Bank, Underwood
 Security State Bank, Upham
 Farmers Equity State Bank, Upham
 Scandinavian-American Bank, Van Hook
 Farmers State Bank, Van Hook
 Middle West Land T Co., Valley City
 Bank of Valley City, Valley City
 First State Bank, Velva
 Merchants State Bank, Velva
 First State Bank, Ventura
 State Bank of Verona, Verona
 Farmers State Bank, Voltaire
 Farmers & Merchants State Bank, Verona
 German State Bank, Wing
 Farmers State Bank, Wild Rose
 Lambs Bank, Whitman
 Peoples State Bank, Wahpeton
 First State Bank, Walcott
 Citizens State Bank, Wales
 State Bank of Wales, Wales
 Citizens Bank, Walhalla
 Farmers State Bank, Walum
 Washburn State Bank, Washburn
 Bank of Webster, Webster
 Bank of Westhope, Westhope
 State Bank of Wheatland, Wheatland
 First State Bank, Wheelock
 Farmers & Merchants Bank, White Earth
 First State Bank, White Earth
 Williams County State Bank, Williston
 Williston State Bank, Williston
 McLean County State Bank, Wilton
 Wilton Bank, Wilton
 First State Bank, Wishek
 State Bank of Wolford, Wolford
 Bank of Wyndmere, Wyndmere
 Peoples State Bank, Westhope
 Security State Bank, Wishek
 Farmers State Bank, Wheatland
 Citizens State Bank, Wheelock
 Farmers & Merchants Bank, Warwick
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 Farmers State Bank, Wing
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 First State Bank, Werner
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 Farmers & Merchants State Bank, Wahpeton
 Farmers State Bank, Watford City
 McKenzie County State Bank, Watford City
 Security State Bank, Wild Rose
 Farmers State Bank, Wabek
 Bank of Williston, Williston
 First State Bank, Watford City
 Farmers State Bank, Woodworth
 Bank of York, York
 York State Bank, York
 Farmers State Bank, Ypsilanti
 State Bank of Zap, Zap
 Zealand State Bank, Zealand
 German State Bank, Zealand
 State Bank of Zahl, Zahl
 First State Bank, Zap
 First State Bank, Zahl

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State Bank of Heimdal, Heimdal

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Williams County—

Appam State Bank, Appam

1918 CONVENTION—DELEGATES.

- Arms, P. L., cashier, Elk Valley Bank, Larimore.
 Aamoth, H. C., cashier, American National Bank, Valley City.
 Ayers, M. L., cashier, First State Bank, Grassy Butte.
 Allensworth, J. A., asst. cashier, Emmons County State Bank, Braddock.
 Allen, H. W., and wife, cashier, Emmons County State Bank, Braddock.
 Anderson, L. M., cashier, Adams County State Bank, Hettinger.
 Arnot, A. J., asst. cashier, First National Bank, Bismarck.
 Bayley, A. L., cashier, State Bank of Alice, Alice.
 Barron, R. E., and wife, president, Second National Bank, Minot.
 Batzer, H. O., and wife, cashier, Bank of Hazelton, Hazelton.
 Baird, L. R., asst. cashier, First National Bank, Dickinson.
 Batcheller, C. E., cashier, First National Bank, Fingal.
 Batcheller, Mrs. L. A., president, First National Bank, Fingal.
 Baker, I. P., vice president, Bismarck Bank, Bismarck.
 Batcheller, M. C., secretary, Northwestern Trust Company, Grand Forks.
 Barringer, W. E., cashier, First National Bank, Streeter.
 Behls, John J., cashier, Farmers Bank, Garrison.
 Beckwith, H. P., president, Northern Savings, Fargo.
 Benson, P. A., director, First National, Mohall.
 Beissbarth, E., president, First National, Brinsmade.
 Bell, J. L., vice president, First National, Bismarck.
 Bloodow, E. G., cashier, First State Bank, Alfred.
 Blanco, Manuel F., vice president, First State Bank, Jud.
 Bolster, A. S., First National Bank, Bismarck.
 Borman, M. M., vice president, State Bank, Abercrombie.
 Bryan, F. E., president, Bankers National Bank, Minneapolis.
 Buttweiler, H. E., cashier, First State Bank, Merricourt.
 Bylin, Ernest, cashier, Tioga State Bank, Tioga.
 Bue, Sigard, cashier, Citizens National Bank, Crosby.
 Cathro, F. W., cashier, First National, Bottineau.
 Case, D. Fay, asst. cashier, Bank of Oliver County, Center.
 Castle, C. E., president, Havana State Bank, Havana.
 Casady, O. L., cashier, McKenzie County Bank, Watford City.
 Carley, J. R., cashier, First National, Grand Forks.
 Cook, Guy, cashier, Foster County State Bank, Carington.
 Conklin, F. L., secretary, Provident Insurance Co., Bismarck.
 Crawford, Lewis F., vice president, Interstate Bank, Sentinel Butte.
 Curry, A. B., cashier, Northwestern State, Killdeer.
 Cummins, T. A., director, First National, Mandan.
 Cunningham, Geo. V. and wife, cashier, Driscoll State Bank, Driscoll.
 Dahl, A. M., asst. cashier, Farmers State Bank, Wing.
 Dahl, S. E., and wife, cashier, Citizens State Bank, Douglas.
 Davis, F. M., vice president, Sheridan County State Bank, McClusky.
 Earley, J. J., president, Bank of Valley City.
 Easton, H. F., Tioga State Bank, Tioga.
 Egan, Hugh, and wife, vice president, Beach State Bank, Beach.
 Ellwein, F. H., asst. cashier, Farmers & Merchants State Bank, New Salem.
 Evans, W. J., asst. cashier, First National, Cando.
 Eyer, Wilson, cashier, Merchants National, Dickinson.
 Fast, J. M., cashier, State Bank of Zap.
 Finseth, M. B., cashier, Farmers & Merchants State Bank, Driscoll.
 Finnegan, F. F., cashier, First State Bank, Denhoff.
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 Forbes, W. I., president, Bank of Gilby.
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 Garnaas, L. B., president, Farmers & Merchants Bank, Sheyenne.
 Galloway, H. A., cashier, Farmers State Bank, Bentley.
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 Goldtrap, A. C., cashier, First State Bank, Regent.
 Goddard, H. P., Bismarck.
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 Grover, Harley S., and wife, cashier, State Bank of Lisbon.
 Green, C. R., president, Merchants & Farmers Bank, Cavalier.
 Grindle, H. S., cashier, Farmers & Merchants Bank, Sheyenne.
 Grangaard, M. O., cashier, First State Bank, Rogers.
 Grady, F. J., First National, Bismarck.
 Graham, J. A., cashier, City National, Bismarck.
 Gunthorp, Charles, director, First National, Edgeley.
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 Hanson, A. P., president, First National, Litchville.
 Hageman, A. B., cashier, Elgin State Bank, Elgin.
 Hanson, O. S., president, Northwestern National Bank, Grand Forks.
 Hart, W. A., cashier, Carson State Bank, Carson.
 Hanks, W. F., cashier, State Bank of Powers Lake.
 Hall, I. T., asst. cashier, Hettinger State Bank, Hettinger.
 Haugan, G. O., cashier, Citizens State Bank, Arnegard.
 Henke, H. D., director, Merchants National, Mandan.
 Hess, Jos. P., vice president, First National, Mandan.
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 Heen, Charles J., cashier, First State Bank, Dunn Center.
 Helberg, V. A., cashier, McGregor State Bank, McGregor.
 Helming, Geo. J., cashier, State Guaranty Bank, Mott.
 Herder, Frank D., cashier, Farmers Equity State Bank, Mandan.
 Heinrich, E. G., Burt State Bank, Burt.
 Howard, J. B., and wife, cashier, First State Bank, Judson.
 Hughes, T. D., Fargo National, Fargo.
 Huff, J. J., cashier, Farmers Exchange State Bank, Sanger.
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 Janzen, C. N., and wife, cashier, Citizens State Bank, Hazen.
 Jacobson, C. O., manager Ins. Dept., City National, Bismarck.
 Jacobson, Geo. J., cashier, Farmers State Bank, Walum.

Johnstone, R. S., vice president, Merchants National, Mandan.
 Johnstone, T. S., president, Merchants National, Mandan.
 Jones, C. R., bookkeeper, City National, Bismarck.
 Johnstone, C. A., cashier, First National, Ashley.
 Kane, Thomas F., president, State University, Grand Forks.
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 Wick, Fred C., cashier, Bank of Oliver County, Center.
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 Lanterman, E. R., Mandan.
 Lanterman, Albert, State Bank of Morton Co., Mandan.
 Ordway, W. H., State Bank of Morton Co., Mandan.
 Shirk, W. S., Watford City.

Shulenberg, B. M., Glen Ullin.
 Timmerman, August, First National Bank, Mandan.

VISITORS.

Banks, T. L., Northwestern National Bank, Minneapolis.
 Bell, A. H., Devils Lake.
 Blaisdell, E. W., N. W. National Life Insurance Co., Williston.
 Boyel, J., St. Paul.
 Boher, D., Northwestern National Life, Fargo.
 Bricker, L. J., Gen. Im. Agent N. P. Ry., St. Paul.
 Braddock, Edward, Lincoln National Bank, Minneapolis.
 Brown, C. H., Mandan.
 Bucholz, L. G., Burroughs Adding Machine Co., Bismarck.
 Candor, H. D., Brown, Blodgett & Sperry Co., Fargo.
 Connolly, Chas. C., Devils Lake.
 Conrad, E. J., Mandan News, Mandan.
 Crary, A. W., N. W. National Life Ins. Co., Fargo.
 Davis, Fred E., and wife, Special Bank Examiner, Bismarck.
 Day, H. E., Fargo.
 Ferguson, Laura E., N. W. National Bank, Minneapolis.
 Ferguson, Fred, Farmers & Bankers Livestock Co., Kensal.
 Feckler, M. L., Farmers & Bankers Livestock Co., Fargo.
 Fuller, W. W., Northwestern Mutual Life Ins. Co.
 Gaumnitz, Carl, Drovers State Bank, St. Paul.
 Gill, Elila, Casselton.
 Hall, P. W., Mechanics & Metals National, New York.
 Hamm, L. W., St. Louis.
 Halldorson, P. E., Deputy State Examiner, Bismarck.
 Hansen, I. E., First National Bank, St. Paul.
 Haislip, S. E., Diebold Safe & Lock Co., St. Paul.
 Harrison, C. A., City National, New York.
 Harmon, H. H., Mandan.
 Hall, Arthur F., Ft. Wayne, Ind.
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 Jaffray, C. P., Lane, Piper & Jaffray, Inc., Minneapolis.
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 Johnson, M. J., First National Bank, Duluth.
 Johnson, S., American National Bank, St. Paul.
 Karr, Alex., Federal Community Life Development Association, Jamestown.
 Kennelly, Gertrude, Mandan.
 Kelt, N. C., Ollie State Bank, Ollie, Mont.
 Kucheman, Ben F., Louis F. Dow Co., St. Paul.
 Lambertson, Jas. B., National Bank of Commerce, New York.
 Lain, F. W., Iowa Litho Co., Des Moines, Iowa.
 Leavitt, F. A., Capital National Bank, St. Paul.
 Leeman, G. P., First & Security National Bank, Minneapolis.
 Leedy, E. C., Gen. Immigration Agent, G. N. Ry., St. Paul.
 Lurton, F. E., East Grand Forks.
 MacGregor, R. E., Northwestern National Bank, Minneapolis.
 Markle, Jay E., Stock Yards National Bank, St. Paul.
 Matzke, H. C., City National Bank, Duluth.
 Mattson, E. L., Midland National Bank, Prest. Minnesota Bankers Assn., Minneapolis.

McClintock, R. C., Globe Gazette Printing Co., Wapeton.
 McNary, J. H., Farmers & Bankers Livestock Co., Bismarck.
 Norman, H. A., Deputy State Examiner, Bismarck.
 Ninde, D. B., Lincoln National Life Ins. Co., Fort Wayne, Ind.
 Oace, J. A., Merchants National Bank, St. Paul.
 Owne, Hugh H., Mandan.
 O'Keeffe, C. D., Walker Brothers, Fargo.
 Perry, Leila M., Medina.
 Sullivan, G. P., Burroughs Add. Mach. Co., Bismarck.
 Smith, P., Minneapolis.
 Shively, A. C., Fire Insurance, Fargo.
 Tavis, H. J., Real Estate and Ins., Mandan.
 Thorberg, E. A., State Examiner's Dept., Bismarck.
 Thaw, B. W., Lawyer, Mandan.
 Tillman, J. O.
 Trotter, Chas. T., Mgr. Wm. J. Burns Int. Detective Agency, Minneapolis.
 Tostevin, E. A., Mandan.
 Chapman, Joseph, Northwestern National Bank, Minneapolis.
 Waters, J. R., State Examiner, Bismarck.
 Weis, C. F., Miller & Davis Co., Minneapolis.
 Williams, T., Underwood Typewriter Co., Bismarck.
 Winge, F. I., Walker Brothers, Fargo.
 Wilds, Rev. J. S., Valley City.
 Wold, Theo., Federal Reserve Bank, Minneapolis.

CONSTITUTION AND BY-LAWS OF THE NORTH DAKOTA BANKERS ASSOCIATION.

Declaration.

In order to promote the general welfare and usefulness of banks and banking institutions, and to secure uniformity of action, together with the practical benefits to be derived from personal acquaintance and from the discussion of subjects of importance to the banking and commercial interests of the country, and especially in order to secure the proper consideration of questions regarding the financial and commercial usages, customs and laws which affect the banking interests of the entire country, we do adopt the following constitution and by-laws of the North Dakota Bankers Association:

CONSTITUTION.

Article I.

Section 1. This Association shall be called "The North Dakota Bankers Association."

Article II.

Section 1. Any national bank, state bank, savings bank, trust company or building and loan association may become a member of this Association upon the payment of such dues as shall be provided by the by-laws, and may send one delegate to the annual meeting of the Association; and any member may be expelled from the Association upon the vote of two-thirds of those present at any regular meeting.

Sec. 2. Delegates shall be an officer or director or trustee of the institution they represent.

Sec. 3. Any County Association or District Association, consisting of more than one county, of banks and bankers may be represented at all conventions of this Association by one delegate for every ten members of such Association, and such del-

egate shall be entitled to the privileges of the convention.

Sec. 4. Delegates shall vote in person; no voting by proxy shall be allowed. No delegate shall vote in more than one capacity, nor shall any county or district association be entitled to more votes than it has delegates present at the meeting.

Sec. 5. All votes shall be viva voce, unless otherwise ordered; any delegate may demand a division of the house.

Article III.

Section 1. The administration of the affairs of the Association shall be vested in the President and First Vice President of the Association, and in an Executive Council, who shall be elected at the annual meetings, and who shall serve until their successors are chosen or appointed. The Executive Council shall be composed of eight members who shall be elected annually; one member of the Executive Council shall be annually chosen by the delegates from the several judicial districts of the State; the President and First Vice President and ex-Presidents, if still members of the Association, shall also be members ex-officio, and no president or vice president nor retiring member of the Executive Council shall be eligible for re-election for the period of one year after the expiration of his term of office.

Sec. 2. Immediately after the first adjournment that occurs in the session of the annual convention the delegates from each judicial district of the State shall meet, at which several meetings the respective members of the Executive Council, if present, shall preside, and these meetings of representatives from the judicial districts shall each select a member, who shall, with others so selected, constitute and be the Executive Council for the ensuing year. No delegate from any County or District Association shall be eligible unless he is a member of the North Dakota Bankers Association. The elections for President and First Vice President shall be by ballot, unless otherwise ordered.

Sec. 3. Each member of the Executive Council shall have the supervision of such business of the Association, exclusive of its general business in charge of the Executive Council and other officers, as may pertain to the judicial district in which he resides, and may call meetings therein relative to such business whenever he may deem the same necessary.

Sec. 4. The Executive Council shall meet immediately upon the adjournment of the annual convention of the Association, and, a quorum being present, elect one of their number Chairman, and appoint Standing Committees, a Secretary and Treasurer and such other employees of the Association as may be deemed proper, and the Council may, at their discretion, discharge the Secretary, Treasurer, or other employees. The Executive Council shall have the power to fill vacancies that may occur in any of the offices of the Association and in the membership of the Council.

Sec. 5. The Executive Council shall take charge of the general business of the Association, receive communications, arrange for holding the annual convention and other meetings, procure and arrange subjects for discussion in the order in which they may come before the convention, provide for speakers and carry out the resolutions passed. They shall also act as a financial committee for raising and disbursing moneys. The attendance of four members of the Council may constitute a quorum for the transaction of business.

Sec. 6. Special meetings of the Executive Council

may be called by request of three of its own members, giving one week's notice to the Secretary, desiring him to call such special meeting.

Sec. 7. The Executive Council shall provide, first, for the keeping of the records of the proceedings of their own meetings, as well as that of the Association's annual and special meetings; second, they shall submit to each annual meeting a report, covering their own official acts as well as a statement of any new and unfinished business requiring attention; third, they shall make full statement of the financial condition of the Association; and fourth, submit an estimate of the amount required to carry on the affairs of the Association according to their judgment of the business to be done, recommend means for raising money to carry out such plans as may be resolved upon by the Association, and raise and disburse money therefor.

Sec. 8. The Secretary shall collect all dues and turn the same immediately over to the Treasurer, make and have charge of the records of the Association and of the Executive Council. These records shall include the correspondence of the Executive Council. These records shall be the property of the Association and shall be held subject at all times to the order of the Executive Council.

Sec. 9. The Treasurer shall receive and account for all moneys belonging to the Association, but shall pay out moneys only upon vouchers countersigned and approved by the President of the Association and by the Secretary appointed by the Executive Council.

Article IV.

Section 1. Annual conventions of the Association shall be held at such times and places as shall be determined by the Executive Council. Special meetings may be called by the Council if, in their opinion, circumstances require them, giving two weeks' notice of the time and place of the meeting, together with the subject matter of business to come before such special meeting. The Executive Council shall meet to arrange the order of business on the day preceding and general meeting of the Association.

Article V.

Section 1. The expenses of the Executive Council of the Association in carrying out the business to be done by it shall be provided for by the annual dues of the members of the Association; provided, however, that the Executive Council shall have no authority to incur or contract on behalf of this Association any liability whatever beyond the amount of the annual dues and moneys especially collected. No expenses shall be incurred except for the purposes designated in this constitution.

Article VI.

Section 1. Any failing to pay within three months the membership dues shall be considered as having withdrawn from the Association, but may be reinstated upon application to the Secretary and paying all dues in arrears, with the consent of the President or Chairman of the Executive Committee.

Article VII.

Section 1. This constitution may be amended at any annual meeting by a vote of two-thirds of the members present, notice of the proposed amendment having been submitted to the Secretary at least thirty days before the annual meeting, and the Secretary shall forward to every member of the Associa-



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tion a copy of such proposed amendment, at the same time the other notices are sent out, and shall submit same to the Executive Council, that they may arrange to bring it before the convention under the regular order of business.

BY-LAWS.

First. The annual dues of the Association shall become due and payable in advance September 1st of each year, which date shall be the commencement of the fiscal year of the Association. The annual convention of each closing year shall be held at such time as the Executive Council may select; it being understood that absent members from such annual meeting shall not forfeit their membership nor the right to become members, provided they comply with the constitution and by-laws, and remit the amount of the dues to the Treasurer within three months after September 1st, of each year.

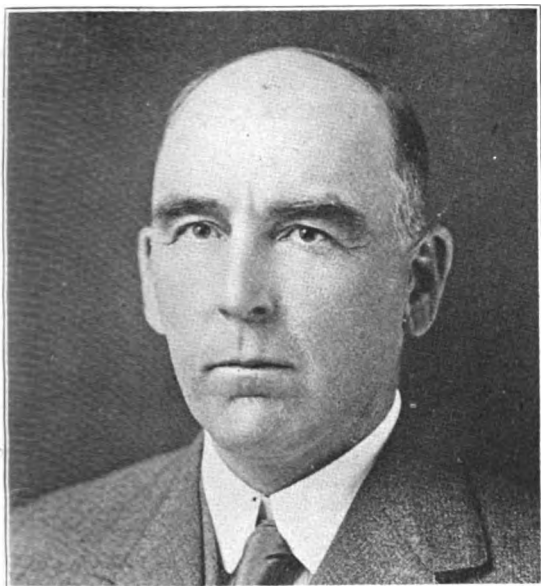
Second. The annual dues of the members of this Association shall be made as follows: All member banks having an aggregate capital and surplus of \$15,000 or less, \$7.50; all members having an aggregate capital of over \$15,000 and up to \$30,000, \$10.00; all members having an aggregate capital of over \$30,000 and up to \$50,000, \$15.00; and over \$50,000.00, \$20.00.

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A. H. Peterson, Treasurer, N. D. B. A.

GROUP OFFICERS, NORTH DAKOTA BANKERS ASSOCIATION



Edwin Beissbarth, President



Miss Irene Thompson, Secretary

SECOND DISTRICT GROUP

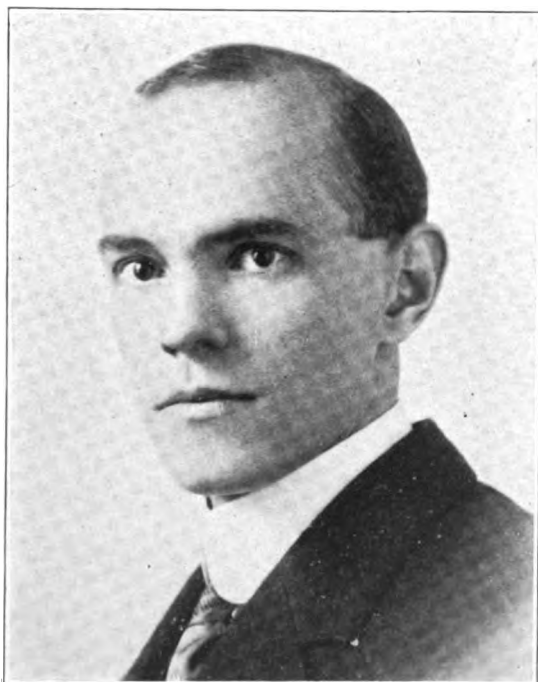


A. T. Bayley, President

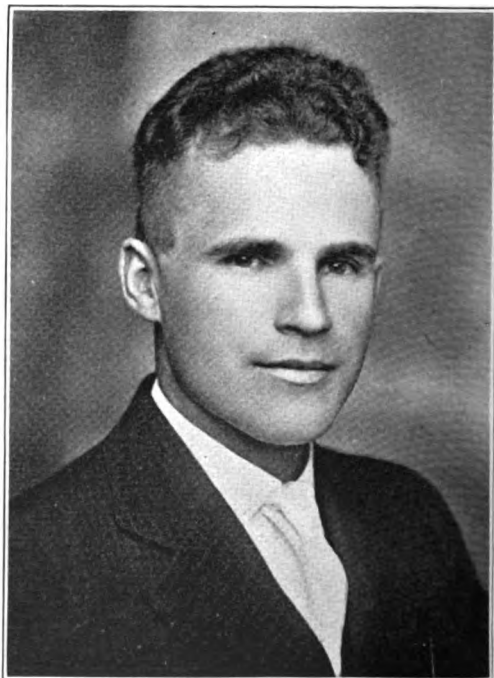


H. P. Beckwith, Secretary

THIRD DISTRICT GROUP



W. S. Adams, President



E. A. Walter, Secretary

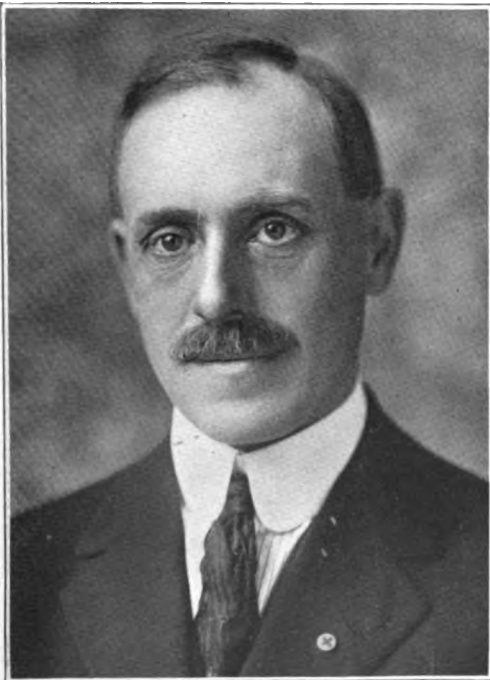
FOURTH DISTRICT GROUP



M. O. Grangaard, President

Secretary Reimer's photograph did not materialize. We will show you what a fine looking young man he is, some other time.

FIFTH DISTRICT GROUP

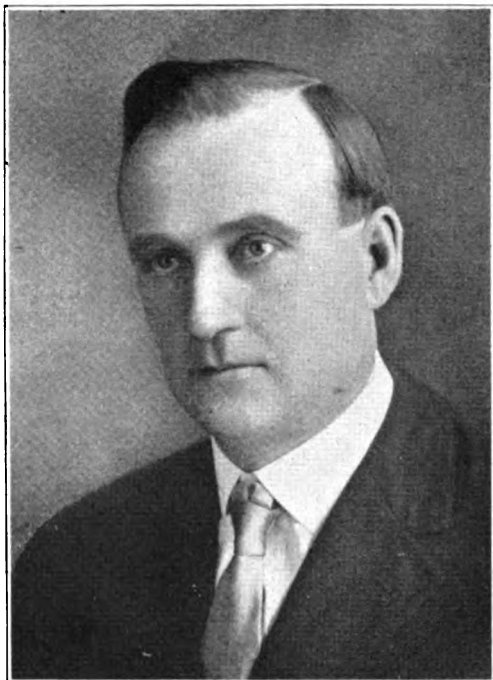


Geo. H. Johnson, President



H. P. Rice, Secretary

NORTHEASTERN GROUP

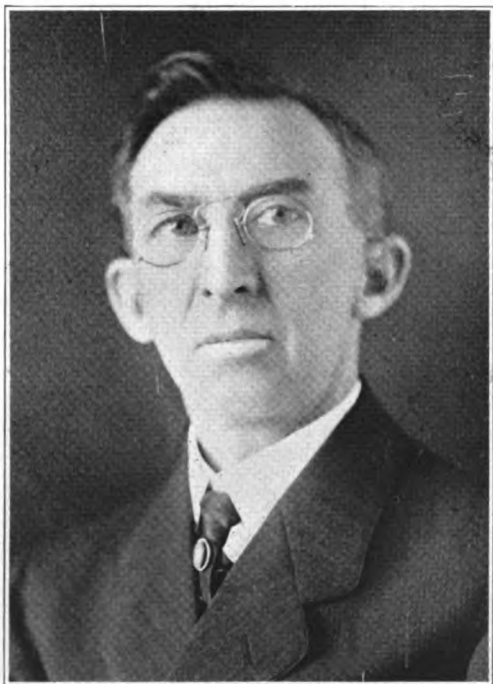


Oscar Herum, President



S. J. Rasmussen, Secretary

NORTHWESTERN GROUP



W. A. Lanterman, President



Geo. F. Wilson, Secretary

MISSOURI SLOPE DISTRICT

ESTABLISHED 1892

WALKER BROTHERS

(INCORPORATED)

FARGO, NORTH DAKOTAPRINTERSLITHOGRAPHERSBOOK BINDERSSTATIONERSOFFICE FURNITUREFILING DEVICESSAFES & VAULT DOORSLEGAL BLANKS*Operating the Only Lithographing Plant in the State.*

**OUR DESIRE IS TO RENDER 100% SERVICE—
WE HAVE THE EQUIPMENT AND EXPERI-
ENCE TO BACK UP THAT DESIRE.**



CHANGES IN FOREIGN EXCHANGE DEPARTMENT.

At the meeting of the Board of Directors of the First National Bank of Chicago, held June 27, Charles P. Clifford was elected manager of the Foreign Exchange department with which he has been associated for a number of years past as assistant manager. Harry Salinger succeeds Mr. Clifford as assistant manager of the department. John J. Arnold, who prior to this election had the title of vice president and manager of the Foreign Exchange department, relinquishes the latter but will remain associated both with the bank and with the department.

The senior officer of the department is so well known to the readers of these pages that a further chronicle of his achievements would be trite. The same is true in a measure of Mr. Clifford, as he has been in the Foreign Exchange department since April of 1890, and occupied every desk in the department. In addition to being a mighty good foreign exchange man, Mr. Clifford is a thirty-second degree Mason; an ardent fisherman and an all-around regular fellow.

Harry Salinger was born in Chicago, March 7, 1883, and came to the bank in September of 1901, entering the In-Mail department from which he was transferred to the Transit. After a long and rather varied experience in this department he was promoted to the general force and later became known as one of the special accountants. "Doc" as he is familiarly known, is entitled to the designation as he holds a degree in medicine. He is a member of the Masonic fraternity and was an ardent base ball

fan before the strenuous days of banking prevented attendance at the games. He is married and the fond father of two kiddies of whom he is as proud as are his friends of his recent promotion.

In this connection Mr. Arnold says:

"The international situation looms for America in an entirely new light and we realize that foreign commerce will play a much greater part with us than it has in the past. The problems of readjustment in the world of economics and finance are upon us.

"The First National Bank of Chicago was a pioneer in the central west in the development of foreign exchange facilities and its management always aimed to keep abreast of the times.

"We believe that our institution should take an active and prominent part in the solving of these larger questions and it was with this thought in mind that the reorganization of our foreign exchange department has been decided upon.

"Under the new arrangement I am relieved of all executive detail practically, and will be free to devote myself more fully to this character of the work in the hope that the First National Bank of Chicago may prove of service to our nation as a whole, as well as to Chicago and the central west."

"In addition to this broader field, we have in mind the development of a foreign trade department by means of which we hope to be of practical assistance to our depositors and correspondents, and, through the latter, to their customers, in the making of connections with importers located in foreign countries. This will require a constant study of world conditions and should prove of value to American concerns interested in the development of foreign trade."

The North Dakota Banker

PUBLISHED MONTHLY

BY THE
NORTH DAKOTA BANKERS' ASSOCIATION
66 BROADWAY
FARGO, N. D.

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AUGUST, 1918.

W. C. MACFADDEN, Editor.

Subscription Price, \$1.00 Per Year.
Free to Members N. D. B. A.

EDITORIAL NOTICE.

Papers and correspondence for publication are invited on all subjects of practical interest to the readers of THE NORTH DAKOTA BANKER. Financial news, changes of officers, bank statements, will be greatly appreciated.

OFFICERS OF THE NORTH DAKOTA BANKERS' ASSOCIATION, 1918-1919.

J. L. Bell, President	Bismarck
Vice President First National Bank.	
J. J. Earley, Vice President	Valley City
President Bank of Valley City.	
C. R. Green, Chairman Executive Council	Cavalier
President Merchants & Farmers Bank.	
A. H. Peterson, Treasurer	Mandan
Cashier State Bank of Morton County.	
W. C. Macfadden, Secretary	Fargo

EXECUTIVE COUNCIL.

J. L. Bell, Bismarck	President
J. J. Earley, Valley City	Vice President
Second District	C. H. Doyon, Doyan
Third District	G. H. Nesbit, Fargo
Fourth District	Wm. Roberts, Colfax
Missouri Slope District	Thos. E. Hayward, Colfax
Northeastern District	C. D. Lord, Park River
Northwestern District	G. L. Gould, Glen Ullin
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Nelson County Bankers Association	E. C. Olsgard, McVile
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M. F. Murphy, Grand Forks	Past President
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C. J. Lord, Cando	Past President
W. C. McDowell, Marion	Past President
Karl J. Farup, Park River	Past President
R. S. Adams, Lisbon	Past President
Lewis F. Crawford, Sentinel Butte	Past President
J. J. Nierling, Jamestown	Past President
J. E. Phlan, Bowman	Past President
C. R. Green, Cavalier	Past President

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H. E. Baird, Vice President	Devils Lake
Miss Irene Thompson, Secretary-Treasurer	Devils Lake

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E. E. Taisey, Vice President	Finley
H. P. Beckwith, Secretary-Treasurer	Fargo

FOURTH DISTRICT

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W. F. Eckes, Vice President	Wahpeton
E. A. Walter, Secretary-Treasurer	Sturum

FIFTH DISTRICT

M. O. Grangaard, President	Rogers
T. Melvin Lee, Vice President	Valley City
J. J. Reimer, Secretary-Treasurer	Harvey

BOTTINEAU COUNTY ASSOCIATION

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J. T. Neville, Secretary	Bottineau

DIVIDE COUNTY ASSOCIATION.

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C. P. Grytness, Vice President	Fortuna
A. H. Anderson, Secretary	Noonan
R. W. Rosseau, Treasurer	Crosby

GRANT COUNTY ASSOCIATION

Clair Cornell, President	Leith
H. H. Nieter, Vice President	New Leipzig
W. A. Hart, Secretary	Carson
A. H. Hageman, Treasurer	Elgin

McHENRY COUNTY ASSOCIATION

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A. L. Lombard, Vice President	Balfour
H. H. Bergh, Secretary	Towner
M. T. Thompson, Treasurer	Towner

MISSOURI SLOPE DISTRICT

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B. C. Marks, Vice President	Bismarck
Geo. F. Wilson, Secretary	Mandan
H. O. Batzer, Treasurer	Hazleton

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C. H. Simpson, Vice President	McVile
E. C. Olsgard, Secretary-Treasurer	McVile

NORTHEASTERN DISTRICT

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C. J. McKean, Vice President	Pisek
H. P. Rice, Secretary-Treasurer	Grand Forks

NORTHWESTERN DISTRICT

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George J. Keup, Vice President	Columbus
S. J. Rasmussen, Secretary-Treasurer	Minot

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E. T. Thompson, President	St. Thomas
R. M. Carson, Sec'y-Treas	Bathgate

STEELE COUNTY ASSOCIATION

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E. Taisey, Vice President	Finley
O. H. Olson, Secretary-Treasurer	Sharon

WELLS COUNTY ASSOCIATION

O. M. Thompson, President	Fessenden
H. Ingvaldsen, Secretary	Fessenden

STANDING COMMITTEES

IMMIGRATION

W. I. Forbes	Gilby
C. F. Kellogg	New Salem
W. F. Eckes	Wahpeton

LEGISLATIVE COMMITTEE

A. P. Hanson	Litchville
H. W. Allen	Braddock
T. C. Hunt	Lamoure

FARM LABOR

R. H. Farmer	Flaxton
John O. Fadden	Arvilla
C. P. Allison	Marmarth

BURGLARY INSURANCE

H. P. Beckwith	Fargo
C. H. Simpson	McVile
E. Taisey	Finley

MEMBERSHIP COMMITTEE

R. F. Trousdale	Mott
Ed Schulenberg	Glen Ullin
John Pulles	Stanton

BANK SUPPLIES

W. J. Morrish	Fargo
B. C. Marks	Bismarck
H. P. Rice	Grand Forks

TRADE ACCEPTANCE COMMITTEE

G. H. Nesbit	Fargo
J. R. Carley	Grand Forks
H. E. Byorum	Minot

COMMUNITY DEVELOPMENT

Harley S. Grover	Lisbon
F. L. Nichols	Kensal
Lewis F. Crawford	Sentinel Butte



THE 1918 CONVENTION.

To those of our members who were fortunate in being able to attend the 1918 Convention at Mandan, July 11 and 12, it perhaps is unnecessary to recall the success and value of the meeting, and perhaps it is not in good taste to remind the many members who wanted to be present, but were prevented by shortness of help or some other good and valid reason from doing so.

Never in the history of the Association has greater interest been shown in the program during the sessions of the Convention than at Mandan this year and never in the history of the Association has more interest been shown in the organization by individual members, than at the present time.

The meetings of the Executive Council of the Association held both before and after the Convention were well attended by members of the Council and much more time than usual, in the hurry to get away after the Convention, was devoted to matters of interest to the banks of the State by the Council.

The outstanding feature of the Convention was the interest shown in the plans proposed by the Committee on Immigration for bringing new settlers into the State and the enthusiastic and hearty spirit of co-operation to assist in this important work.

The splendid record of the bankers of the State in helping to solve the financial problems the war has presented, and the heavy burdens carried by banks freely and voluntarily in furnishing the means of solving the many problems, indicate the success which any proposition receiving the hearty support of the members of our Association can be carried out, and there is nothing that can be undertaken by the bankers of the State that will bring better or more satisfactory results than a united effort to bring new settlers to our State and to make them enthusiastic satisfied citizens after they have located here. Results may be slow until the war is over, but plans should be perfected now and in good working order when the war does end, so that the benefits to be derived may begin to be realized as early as possible.

The officers of the Association are going to try very hard during the coming year to make the Association of greater value to its members than ever before and are confident that their ambition will be realized if members will give their individual assistance in the hearty and enthusiastic spirit which was so evident at the 1918 Convention.

JOIN THE A. B. A.

The American Bankers' Association has begun a campaign for 20,000 members by September 1, next. The increase in membership since the convention last September has broken all records. In the last twelve months the gain in membership has been 1483, and on May 28 there were 18,189 members.

Since May 1, 1903 the membership has nearly doubled. New York and Illinois are tied for first place with 1082 members each. Pennsylvania third

Specialized Service to Banks

IN this Company are forty departments, covering the whole field of domestic and foreign banking and trust business.

The facilities of these various departments are brought to the service of banks and bankers through one department—the

DEPARTMENT OF BANKS AND BANKERS *Officers in Charge*

E. W. Stetson, Vice-Pres. James M. Pratt, Vice-Pres.
G. J. Geer, Jr., Asst. Treas. A. B. Hatcher, Asst. Treas.

Our booklet, "Specialized Service to Banks," will be sent on request.

Guaranty Trust Company of New York

140 Broadway

New York : London : Paris
Capital and Surplus - - \$50,000,000
Resources more than - - \$600,000,000

with 990, Iowa fourth with 931, Kansas has 844 and Ohio 745.

There are nearly 30,000 banks in the United States and the Association has, therefore, great possibilities of further expansion. The goal of 20,000 by September 1 is a modest ambition. As a special inducement for joining, it has been ordered that the payment of dues for one year will bring the privileges of membership until August 31, 1919.

The officers of the Association feel that at this critical time the advantages of membership to banks are supplemented by the necessity for co-operation. Great demands are being made on the banks. The Government is dependent upon them for financing the war and the requirements of business are such that the banker must be unusually alert and discreet. The American Bankers' Association, as the great organization through which the bankers can speak officially, has worked effectively in promoting the Liberty Loan and War Savings campaigns and its officers and various committees and commissions are making a careful study of all financial legislation and banking regulations.

The larger the membership, the more effective the work. Every bank in the United States should be a member of the American Bankers' Association.

MISSOURI SLOPE GROUP MEETING.

The annual meeting of the Missouri Slope Group of the North Dakota Bankers' Association was held at Mandan, July 10th, the evening preceding the state convention.

The business meeting was held at the Commercial Club rooms early in the evening and was confined

THE FIRST NATIONAL BANK OF FARGO

Welcomes the accounts of Banks and Bankers. We offer you a large and growing par list and can save you two or more days in clearing North Dakota and Western items.

CAPITAL, AND SURPLUS, \$550,000.00

E. J. WEISER, PRESIDENT
F. A. IRISH, VICE PRESIDENT
J. S. WATSON, VICE PRESIDENT
G. H. NESBIT, CASHIER

E. G. CLAPP, ASS'T CASHIER
H. D. CROSBY, ASS'T CASHIER
H. L. WILSON, ASS'T CASHIER
G. W. JENSEN, ASS'T CASHIER

to receiving the annual reports of the officers and the election of new officers.

Thos. E. Hayward, president of the Group, presided at the meeting, with A. H. Peterson, as secretary pro tem in the absence of Secretary George W. Janda, now in military service.

A nominating committee consisting of H. W. Allen, R. A. Trousdale, and C. F. Kellogg was appointed and the report of the committee recommended the election of the following officers:

W. A. Lanterman of Mandan, president.

B. C. Marks of Bismarck, vice president.

George Wilson of Mandan, secretary.

H. O. Batzer of Hazelton, Treasurer.

J. J. Murphy of New England, for member of State Nominating Committee.

Thos. E. Hayward of the Beach State Bank, as member of the Executive Council of the State Association.

The recommendation of the nominating committee was unanimously adopted and the new officers declared elected.

At the conclusion of the business meeting a war supper was served at the new Lewis & Clark hotel, over one hundred members of the Group being in attendance. At the conclusion of the supper Mr. Cunningham acted as toastmaster and a number of informal talks were made during the evening by members of the Group and visitors present.

The Missouri Slope Group, by this splendid meeting, held up its reputation as one of the most enthusiastic and interesting groups in the state.

PEMBINA COUNTY BANKERS' ASSOCIATION.

The second annual convention of the Pembina County Bankers' Association was held in Wallhalla, July 1st, with an interesting and valuable program.

Mr. F. A. Argue, president of the Bank of Hamilton, made a splendid address on Loyalty. Geo. H. Johnston of Wales spoke on "Trade Acceptances." Past president Green of the State Association told of the work of the Association and Mr. McLean, manager of the Morden-Manitoba branch, of the Bank of Hamilton, talked on the Canadian Exchange system.

A picnic supper was held in the park and the delegates and visitors were the guests of the bankers of Wallhalla at an evening session of the Chataqua where the entertainment was the opera of Olivette.

The officers elected were as follows: E. T. Thompson of the First National Bank, St. Thomas, president; R. M. Carson of the Bathgate National Bank, secretary-treasurer.

NEW VICE PRESIDENT AT LIBERTY NATIONAL, NEW YORK.

James G. Blaine, Jr., grandson of the famous statesman, Monday, June 10th, was elected vice president of the Liberty National Bank.

Mr. Blaine, who graduated from Harvard with



JAMES G. BLAINE, Jr.

the class of '11, is probably the youngest vice president of a bank in Wall Street. Upon his graduation from college he went to Providence where he was connected with the agency of the New York Life Insurance Company. He later became connected with the Investment Banking house of Bodell & Company. When the first American Red Cross

campaign was held to raise funds for the war he did splendid work and attracted the attention of Eliot Wadsworth. Mr. Wadsworth got him to Washington where Mr. Blaine was made assistant Director of the Bureau of Production. Later he became Director of the Bureau of Development, the division of the American Red Cross which has charge of the building up of chapters. His work there was so unusual that he attracted the attention of Harvey Gibson, president of the Liberty National Bank, who looked upon Mr. Blaine as a splendid man for banking. The result was that Mr. Blaine was elected vice president of the Liberty National and will assume his new duties in three months. Meantime he will continue his work with the Red Cross in Washington.

A DUAL CODE OF MORALITY.

By Geo. H. Johnston, Wales, N. D.

We look back upon the Middle Ages and wonder at their perverted sense of morality that forbade the common people to do those things that the nobles were praised for doing. This was a dual code of morality,—some remnants of this still persist, but we have been slowly sloughing off the idea that high rank carries with it freedom from the moral code.

But in this respect, as in so many others, Germany is still Mediaeval. The rulers of Germany worship that which we abhor and the Prussian, Nietzsche, the philosopher and prophet of modern Germany, makes the dual code or morality the basic principle of his teaching.

To Nietzsche, religion is of use only as a means of enslaving the people and making them subservient to the will of the ruler. Nietzsche "exhorts the rulers to preserve the religious faith of the *serving classes* and to use it as a means of government—as an instrument—as an instrument in the work of disciplining and educating." On the other hand in his bitter diatribes against Christianity he sought to free the *rulers* from the restriction of a religion which, in his estimation, fitted the needs of only the weaker members of society.

The rulers of Germany are thoroughgoing believers in Nietzsche's teaching. They preach "loyalty, humility, implicit and unquestioning obedience to the common people, but for themselves reserve the right to disregard every law of every code of morals" in their insatiable struggle for power.

Do we want such principles to prevail? Would not a victory for Germany mean a return to the Mediaeval code of morality? Would it not set back the clock of time by several centuries?

WHO WAS IT?

We received a postal card order for one book of Interim Receipts and one book of Safekeeping Receipts with 65c in an envelope attached to the order to pay for same.

The bank that sent in the order neglected to sign it or give us any means of knowing from whom it came. We have the 65c and the order and some bank is wondering why they do not receive the receipt books ordered.

WHO WAS IT?

Corn Exchange

CAPITAL	-	-	-	\$3,000,000.00
SURPLUS	-	-	-	5,000,000.00
UNDIVIDED PROFITS	-	-	-	2,000,000.00

NATIONAL
BANK

Of Chicago, Illinois

Ernest A. Hamill, President
Charles L. Hutchinson, Vice President
D. A. Moulton, Vice President
Frank W. Smith, Secretary

J. Edward Mass, Cashier
James G. Wakefield, Assistant Cashier
Lewis E. Gary, Assistant Cashier
Edward F. Schoeneck, Assistant Cashier

UNITED STATES DEPOSITARY

Foreign Exchange

Letters of Credit Issued

DIRECTORS

Watson F. Blair
Edward B. Butler
Benjamin Carpenter
Clyde M. Carr

Ernest A. Hamill
Charles H. Hulburd
Charles L. Hutchinson

Martin A. Ryerson
Edward A. Shedd
Robert J. Thorne
Charles H. Wacker

MRS. EDWIN BEISSBARTH.

Members of the Association will be greatly shocked to learn of the death of Mrs. Edwin Beissbarth, which occurred at her home in Brinsmade the morning of June 27th. The funeral services were held in Brinsmade June 29th and the remains shipped to Cottonwood, Minnesota, Mrs. Beissbarth's former home, where the interment took place.

**MRS. EDWIN BEISSBARTH**

Mrs. Beissbarth was born in Moscow Township, Iowa County, Wisconsin, September 10, 1868, and was the daughter of Ivar and Martha Christianson, who came to Wisconsin from Norway in 1849, crossing the ocean in a sailing vessel that took three months to make the trip. Upon arrival in this country, these pioneers followed the Erie Canal through the Great Lakes to Milwaukee, Wis., going by ox team from Milwaukee to Dane Co., Wis., later moving to Wood Lake, Yellow Medicine Co., Minnesota, in 1872. Mrs. Beissbarth attended the public schools of Cottonwood and continued her education later on at Willmar Seminary and St. Cloud Normal School, taught school for a few years and then entered business in Minneapolis as a member of the well-known firm of Christianson Sisters. She was married to Edwin Beissbarth, January 29, 1903, and moved to Brinsmade in 1904. At the time of her death Mrs. Beissbarth was vice president of the First National Bank, Brinsmade, vice president of the Minnewaukan State Bank, and secretary-treasurer of the Dakota Realty and Investment Company of Brinsmade.

The North Dakota Banker joins the many friends of Mr. Beissbarth in extending sincerest sympathy in his great bereavement.

Banking for Banks

This institution for 30 years has continuously served its patrons and is splendidly equipped to give efficient service to all North Dakota bankers. Accounts of banks and bankers solicited.

CONSERVATIVE, YET LIBERAL

Capital	- -	\$100,000.00
Surplus	- -	100,000.00
Undivided Profits		20,000.00

**MERCHANTS
NATIONAL BANK**

FARGO, N. D.

TAKING NEW YORK'S HATS.

Partners suing each other for the profits of the hat-checking business of a New York lobster palace are disclosing secrets. In eight years they made \$250,000, presumably by the usual process which strips a man of his garments on entering and demands a "tip" before surrendering the goods. Usually these concessionaires divide "fifty-fifty" with the proprietor of the place. That is half a million dollars given up by the patrons for relieving the owner of a responsibility placed upon him by numerous legal decisions.

The restaurant's chief business is between 6 o'clock evening and 2 in the morning, eight hours a night, or 480 minutes. In eight years that gives 1,382,400 minutes. To obtain \$500,000 the hat checkers must have collected 36 cents a minute from their victims.

They have proven the old saying. One is surely born every minute.—*Financial America*.

ACHIEVING A RECORD.

The president of an Eastern bank was congratulated on a new Liberty Loan flag hanging out in front, which showed 100 per cent of the employees as subscribing.

"That was nothing," said the banker. "We did not have to use any compulsion. All but two of the employees subscribed voluntarily, and we fired those two."

REPORTS BY THRESHERMEN TO THE BUREAU OF MARKETS.

The United States Department of Agriculture authorizes the following:

Under the authority of the food control act, the Bureau of Markets of the United States Department of Agriculture is to require from all thresher men in the country periodical reports on the number of bushels of wheat threshed by them and the acreage from which the grain was produced.

List Being Compiled.

A list of thresher men is being compiled from all available sources by the Bureau of Crop Estimates, which is co-operating in the undertaking, and the Bureau of Markets is having printed a supply of blank forms for threshing reports, together with a pocket memorandum for daily records. Reports will begin with the opening in June of the winter-wheat harvesting season. The county agents will aid in distributing the schedules and memorandum books and will also assist in assembling the results.

Used in Keeping Check.

The results are to be made available for the use of the United States Food Administration, the Federal Trade Commission, and other branches of the Government. They are expected to provide a complete and accurate check on the advance wheat figures of the Bureau of Crop Estimates in the same way that the cotton-ginning reports, compiled by the Bureau of Census, check the cotton estimates.

PLANS TO MEET ANY SHORTAGE IN THE SUPPLY OF GASOLINE.

The Fuel Administration issues the following:

The United States Fuel Administration, through Mark L. Requa, director of the oil division, has issued the following statement in regard to gasoline:

Plans for Possible Shortage.

"Up to the present time there has been sufficient supply of gasoline to meet all requirements, but in order to be prepared for any emergency should it arise plans are being considered by the oil division of the Fuel Administration, in co-operation with the automobile industry and the national petroleum war service committee, for the purpose of determining the most satisfactory method of gasoline conservation."

Pleasure Cars and Motor Boats.

"It is not expected in any event that it will be necessary to restrict the normal consumption of freight vehicles, and provided there is reasonable conservation by all concerned, it may not be necessary to seriously interfere with pleasure cars and motor boats."

"It must be borne in mind, however, that the paramount use for gasoline is for war purposes, all of which requirements will be supplied. The volume of this will largely govern the situation."

"It seems possible that rational conservation by the public will render Government action unnecessary."

REVIEW OF AERIAL MAIL SERVICE OPERATIONS FOR FIRST MONTH.

Department Considering Reduction of Postal Rates in View of Its Success.

The Post Office Department authorizes the following:

In the first month's operation of the Aerial Mail Service between New York, Philadelphia and Washington, a total of five and two-fifths tons of letter mail was transported. The planes carrying mail covered 11,109 miles and had a total of 157 hours 59 minutes in the air. The average speed through storm and fair weather for the month was slightly in excess of 70 miles an hour. Twenty-one out of twenty-six flights were completed at Belmont before 4 o'clock in the afternoon, 12 of them before 2:30 and 3:00 o'clock.

20 Perfect Flights by Lieut. Edgerton.

Lieut. Edgerton has to his credit 20 perfect flights of 130 miles, never having to make a stop enroute, and without damaging a plane. Lieut. Culver, flying between New York and Philadelphia, has 13 perfect flights to his credit, never having to stop in route, and having no damage to his plane. Lieut. Webb has 11 perfect flights to his credit. Lieut. Kilgore made nine non-stop flights and two interrupted flights. Lieut. Bonsal made 15 non-stop and four interrupted flights, and one damaged plane. Lieut. Miller made 11 non-stop flights, four interrupted flights, and two planes damaged.

In view of the successes obtained in the first months operation of the service, and the fact that the capacity of the machines is not being fully utilized, the department has under consideration a reduction of the postal rates on aeroplane mail.

MIDLAND NATIONAL BANK

MINNEAPOLIS. MINN.

Distinctive Banking Service.



BANK BOYS WITH THE COLORS

O. J. France's present address is U. S. S. Richmond, Camp Shop, Norfolk, Va.

Jesse G. Hougens's present address is 164th Ambulance Co., 116 Sanitary Train, A. E. F.

George Donnelly of the First National Bank of Fargo, enlisted in the navy and is at Camp Farragut, Great Lakes, Ill.

Sergt. D. Ray Green of Cavalier is now with the 30th Aero Squadron, U. S. Expeditionary forces in France.

E. W. Barrows, assistant cashier of the Farmers State Bank of Dodge, is in the Machine Gun Co. of 164th Inf. Camp Greene.

Ronal M. Hazen, teller of the National Bank of Larimore, is now First A Sergt. 7th Aviation Instruction Center, A. I. F., France.

Ercyl Hamilton, formerly of the Fargo National Bank, Fargo, is now Sergt. Co. B, 164th U. S. Inf., 41st Div., American Expeditionary Forces.

George Van Camp, formerly bookkeeper at the Citizens State Bank of Ambrose, is now a private in the Marines on the S. S. Nebraska.

L. E. Correll, assistant cashier of the First National Bank of Casselton, is at the Officers Training Camp, Fort Snelling.

E. J. Vogt, assistant cashier of the Farmers State Bank, Halliday, is in Co. "K", 164th Inf. 41st Div. Charlotte, N. C.

A. H. Ney, assistant cashier of the Dodge State Bank, is now with the 164th Infantry, Machine Gun Div., Charlotte, S. C.

Harry F. Rusch, of the Northern Savings Bank, Fargo, is now a First Lieutenant in the 50th Infantry, Regular Army, at Camp Greene, N. C.

Samuel W. Huntington is one of the boys of Co. C, 313 Engineers at Camp Dodge. Mr. Huntington was assistant cashier of the State Bank of Verona before he enlisted.

Sgt. Clinton Goetze, formerly cashier of the Citizens State Bank, Ambrose N. D., is now Sergt. Goetze Q. M. C., care Depot Q. M., U. S. A. P. O. No. 716, France.

R. S. Hair, assistant cashier First National Bank of Ambrose, is now serving in the United States Marine Detachment, on board the U. S. S. New Hampshire.

Herman Engebretson, assistant cashier and local manager of the Eckelson State Bank, is now with the Headquarters Co., 164th Inf., 41st Div., American Expeditionary Forces.

Geo. H. Russ, Jr., formerly cashier of Bismarck Bank, is now a captain in the 352nd Regiment, Inf., Camp Dodge, Ia.

Ed E. Simonson, formerly teller of the Merchants National Bank, is now in Co. "M", 352nd Regiment, Camp Dodge, Ia.

Edgar B. Kjelstrup, formerly cashier of the Farmers Exchange Bank, Parshall, is now in the National Army, being connected with Battery "C"—Reg. 338, F. A., Camp Dodge, Ia.

Joseph H. Wendel, formerly cashier of the State Bank of Alamo, is now in Battery "B", 338th Field Artillery, Camp Dodge, Ia.

Homer T. Sands, formerly in the employ of the First National Bank, Fargo, is now in Co. "M", 350th Reg. Inf., Camp Dodge, Ia.

Ben P. Schmallen, formerly chief clerk of the First National Bank, Fargo, is now at Camp Joseph E. Johnson, Jacksonville, Florida.

Frank G. Gorder, formerly teller of the Merchants National Bank, Fargo, is now in Co. "L", 352nd Regiment, Camp Dodge, Ia.

Arthur Comstock, formerly assistant cashier of the Merchants National Bank, Fargo, is now at Ft. Riley, Kansas, Battery 2, R. O. T. C.

Henry Salzeider, formerly bookkeeper at the Merchants National Bank, Fargo, is now in the Radio Company, U. S. Naval Station, Co. "A", Camp Perry, Great Lakes, Ill.

Earl L. Shaw, formerly paying teller of the Merchants National Bank, Fargo, is now sergeant in the Quartermasters Corps, Camp Lee, Petersburg, Va.

A. A. Lorshbough of the Dakota Savings Bank, Fargo, is now a first Lieutenant, having recently received his commission at Fort Snelling.

Joseph N. Schlagel, formerly in the employ of the Merchants State Bank, Fingal, is now at Camp Dodge, Iowa, in Supply Sergt. Co. M, 352nd Inf.

Carl E. Wedwick, assistant cashier of the Citizens State Bank, Antler, has enlisted in the Coast Artillery and has reported for duty but as yet has not been assigned to a training camp.

The boys who have enlisted from the First National Bank, Bismarck, are as follows:

Edward A. Baskerville, Quartermasters Corps, Camp Lee, Va.

Frank J. Johnson, Div. Headquarters Troop, Camp Dodge, Ia.

George P. Little, 116 Trains Headquarters and Mounted Police, 41st Div., Camp Greene, N. C.

Glen H. Peck, 116 Trains Headquarters and Mounted Police, 41st Div., Camp Greene, N. C.

Eugene Wachter, Division Headquarters Troop, Camp Dodge, Ia.

Lewis P. Warren, 147th Machine Gun Battalion, Camp Mills, Long Island, N. Y.

Floyd R. Sidmore of the Farmers & Merchants Bank, Rolla, is now in military service, Battery D, 338th Field Artillery, Camp Dodge, Ia.

Norman Kastner of the Farmers & Merchants Bank, Rolla, has enlisted in military service and is now Commissary Sergeant with the Marine Detachment, Naval Ammunition Dept., St. Julien Creek, Virginia.

Arthur E. Elefson recently with the Scandinavian American Bank of Minot has enlisted in military service and is now at Camp Dodge.

Albert E. Funk for the past eight years assistant cashier of the First National Bank, Hebron, has enlisted in the Coast Artillery Service.

J. A. Quast, formerly assistant cashier of the First International Bank of Columbus, N. D., is now with the Colors "Somewhere in France."

M. H. Sprague, cashier First National Bank, Grafton, is now captain of the Supply Co., 164th Inf., A. P. O. No. 703.

Wm. Nieland, assistant cashier of the First State Bank of Beulah, has resigned to join the Quartermaster's Corps.

Paul E. Glass, formerly assistant cashier of the Farmers State Bank, Fairdale, N. D., is now in the officer's training camp at Camp Dodge, Iowa.

Frank J. Howard, formerly assistant cashier of the State Bank of Elliott, is now with the North Dakota Field Hospital Co. No. 136, 109th Sanitary Train, 34th Div., at Camp Cody.

Leonard W. Ross, formerly assistant cashier of the State Bank of Hensel, is now First Lieutenant, Quartermaster's Corps, Co. B, Camp Stanley, Leon Springs, Texas.

S. M. Rasmussen, formerly bookkeeper at Church's Ferry Spare Bank, Church's Ferry, N. D., has enlisted in the Coast Artillery, at Camp Stevens, Ore.

E. R. Capes, formerly assistant cashier of the Farmers State Bank, Leith, N. D., has enlisted in the Medical Corps of the regular army, and is at St. Louis, Mo.

Ora E. Sahr, formerly cashier of the Farmers Bank of Mercer County, Hazen, is now in Battery F, 338th Field Artillery, Camp Dodge, Iowa.

A. E. Halverson, formerly assistant cashier of the Forest River State Bank has enlisted in the army and is stationed at Ft. Riley, Kansas.

Wm. J. Benfield, formerly assistant cashier of the German State Bank, Harvey, N. D., is with the 338th Field Artillery, Battery A, Camp Dodge.

W. Lloyd Caldwell, vice-president of the Bank of Monango, is now in the Fourth Squadron Aero Field, Fort Sill, Oklahoma.

Kenneth J. Johnson, who has been for some time with the Citizens State Bank, Ambrose, N. D., has been appointed Army Field Clerk and ordered to report for duty in Washington.

F. W. Newberry, formerly with the Farmers & Merchants National Bank of Jamestown, is now Sergeant Major of the Headquarters Department, 164th Inf., 41st Div., and sailed for France with his division some time ago.

A. Hagen, formerly assistant cashier of the Farmers State Bank, Arnegard, is now in France. He enlisted with Co. E, of Williston, last July.

Arthur Kopelman, formerly of the First National Bank, Fargo, is now with the Aero Squadron 233, Kelly Field, San Antonio, Texas.

A. B. Musser, formerly with the First National Bank, Fargo, is now at Dinwiddie Institute, Minneapolis, for special war work training.

F. A. Moore, assistant cashier of the Grafton National Bank, is now First Lieutenant of "M" Co., 164th Inf., "Somewhere in France."

Thos. M. Condon, formerly bookkeeper at the American National Bank, Valley City, is now in the Aviation Service of the U. S. Army, France.

Francis P. Aamoth, assistant cashier of the American National Bank, Valley City, is in the Field Artillery Training Camp, Fort Logan, Colo.

Howard L. Turner, formerly assistant cashier of the Farmers State Bank of Heaton, is now a Sergeant in the Officers Medical Training Camp, Fort Riley, Kansas, and D. B. Rasmussen, formerly bookkeeper of the same bank, is also a Sergeant in the 16th Ambulance Co. at Fort Riley, both young men having joined the Hospital Corps last June.

J. G. Ofstedahl, bookkeeper Grafton National Bank, is now Captain "C" Co., 164th Inf., "Somewhere in France."

W. J. Buchanan of the First National Bank of Drayton, is now in France, 18098 Army Sanitary School, American E. F., A. P. O. 714.

R. R. Teichmann, assistant cashier State Bank of Bowman, is with the Hospital Corps, Fort Riley, Kansas, and expects to leave for France soon.

Harold W. Taylor of Steele, formerly with the First National Bank, Bismarck, is now a Sergeant at Camp Dodge.

Albert J. Beiter, formerly assistant cashier of the Security State Bank of Golva, is now in the 23rd Engineers at Camp Meade, Maryland.

Otto T. Becker, formerly assistant cashier of the German-American State Bank of Linton, is now in Battery F, 338th F. A., Camp Dodge, Iowa.

E. S. Wallace, vice president First National Bank of Drayton, is now First Lieutenant 338th Field Artillery, Camp Dodge.

Herbert Kibler, assistant cashier of the Merchants & Farmers Bank of Cavalier, is at Camp Joseph Johnson, Florida, and has been commissioned 2nd Lieutenant in the Quartermaster's Department.

C. W. Moores, formerly assistant cashier of the Hope National Bank, is in the Aviation Corps at Dallas, Texas.

Paul F. Hart, formerly with the First National Bank, Valley City, is now in the regular army and is stationed at Camp Dodge, Iowa.

Lieut. N. H. Tracy, formerly with the First National Bank, Valley City, son of President Tracy, is with the 352nd Inf., Co. G, Ft. Dodge, Iowa.

Col. Frank White, President of the Middlewest Trust Co. of Valley City, is now Chief of the Supply Department at Newport News, Va.

C. F. Mudgett, cashier of the First National Bank Valley City, is now Major Mudgett and is on Gen. Pershing's Staff, General Headquarters of the Expeditionary Forces, France.

R. J. McDonald, formerly with the First National Bank, Valley City, is now First Lieutenant on Gen. Coulter's Staff, with the 81st Brigade, Headquarters in France.

Valley City and the First National Bank of Valley City, as shown by the above, has surely made a very valuable contribution to the American Expeditionary Forces.

A. R. Reep, formerly cashier of the Security State Bank, Bonetrail, has enlisted in the Quartermaster's Corps, and is now in the Aux. Remount Depot, Camp Grant, Rockford, Ill.

Walter A. Zellmer, formerly of the Farmers & Merchants Bank, New Rockford, is now in military service, Co. C, 313 Field Sig. Bat., Camp Dodge.

Geo. B. Ouren of the Farmers & Merchants Bank, New Rockford, is with Headquarters Co., 4th Div., Camp Greene, N. C.

R. F. Boehm, formerly assistant cashier of the State Guaranty Bank, Harvey, is now with Battery E, 338th F. A., Camp Dodge, Iowa.

Roscoe E. Dalin, formerly bookkeeper at First National Bank, Carpio, who enlisted last summer as a volunteer with Co. A of Minot, is now in France and his address is 164th Ambulance Co., 116th San. Tr. A. E. F., via N. Y. He serves in the medical corps as a first-class private.

Theo. H. Geidt, formerly assistant cashier of the Zeeland State Bank, is now with Co. P, 4th Bat., 163rd Depot Brigade, Camp Dodge, Ia.

Monrad R. Thue, formerly assistant cashier of the First State Bank, Stanton, is now with the "Colors" and is located at Miami, Florida, with Co. 38 Air Station.

William Simpson, formerly assistant cashier of the Citizens State Bank, Sharon, is now in the service and at present is located at the Base Hospital, Camp Dodge.

T. G. Barland, assistant cashier of the Security State Bank, Deering, has joined the "Colors" and is with his company at Eau Claire, Wis.

C. A. Christianson, formerly assistant cashier of the First State Bank, Wild Rose, is now with the "Colors", and is stationed at Camp Dodge, Ia.

E. D. Marriott, formerly with the Farmers & Merchants Bank, Leeds, is now a Corporal in Co. E, Second Bat., 163rd Depot Brigade, Camp Dodge, Ia.

Fred L. Morris, formerly of the First State Bank, Golden Valley, is now with Battery E, 338th Field Artillery, Camp Dodge.

E. J. Woodard, formerly assistant cashier of the Farmers Bank of Golden Valley, is now with the U. S. Army in France.

Ralph G. Yarrow, formerly employed at the Kenmare National Bank, is now in the Coast Artillery, stationed with 22nd Co. C. D. of N. B., Fort Kearney, Saunderson, R. I.

Frank S. Booth, formerly teller of the Farmers & Merchants Bank of Kensal, is now Capt. Frank S. Booth, 4th Bat., 152nd Depot Brig., Camp Upton, Long Island, N. Y.

H. J. Patterson, formerly assistant cashier of the State Bank of Kramer, is now in Co. 8, 166th Brigade, Camp Lewis, Wash.

F. P. Aamoth, formerly assistant cashier of the American National Bank, Valley City, is now in Co. A, 23rd Machine Gun Bat., Camp Fremont, via San Francisco, Cal.

Theodore Ulmer, formerly employed at the Bank of Monango, is now at Fremont, California, with Co. A, Ammunition Train.

Lars L. Wahl, formerly assistant cashier of the Montpelier State Bank, is now with the Quartermaster's Division at Camp Holabird, Baltimore. His address is Barracks 206, Baltimore.

O. E. Bergstrom, formerly with the Bank of Pekin, is now stationed in Third Reg. Band, Barracks 331, Camp Dewey, Great Lakes, Ill.

Herman H. Koch, assistant cashier of the Farmers & Merchants State Bank, Monango, is now with the 4th Officers Training School, 88th Div., Camp Dodge.

O. E. Bergstrom, formerly cashier of the Bank of Pekin, is now at Camp Farragut on the Great Lakes, having enlisted in the Naval Band.

C. A. Helling, formerly assistant cashier of the Citizens State Bank, is now at Camp Custer, Battle Creek, Mich.

G. C. Weidenbach, formerly assistant cashier of the Farmers State Bank, Heil, is now with Company "M", 137th Inf., somewhere in France.

Harry B. Anderson, formerly assistant cashier of the Security State Bank, Crosby, is now with the United States School of Military Aeronautics at Champaign, Ill., with Squadron "A".

George C. Brooks, formerly with the Geneseo State Bank, is now in the Radio (wireless) service, training department, University.

A. Enoch Becker, formerly assistant cashier of the German American State Bank, Linton, is now at Camp Logan, Zion City, Ill., in military service.

Elmer Johnson, formerly of the First State Bank, Carson, is now at Camp Farragut, Great Lakes, Ill., Co. 51, Reg. 9, Barracks 943.

Robert J. Weidenbach, formerly assistant cashier of the Citizens State Bank, Ambrose, is at Del Rio, Texas, with the 307th Cavalry Band.

Lewis Rogne, formerly of the First National Bank, Fingal, is now in the 185th Aero Squadron, in England.

August Paul, also of the First National Bank, Fingal, is with the Coast Artillery, Ft. Howard, Maryland.

Lieut. William S. Macfadden, of the Ordnance Reserve Corps, employed for a short time at the First National Bank, Fargo, is now "over there."

Edwin T. Peterson, formerly assistant cashier of the Citizens State Bank, Arnegard, is now in Company C, 23rd M. G. B., Camp Fremont, Cal.

E. L. Vorachek, formerly assistant cashier of the First State Bank, Garrison, is now in Battery E, 338th Field Artillery, Camp Dodge.

Ed Tempel, formerly with the Farmers State Bank of Hazelton as assistant cashier, is now with the Headquarters Company, 164th U. S. Inf., France.

Norman I. Ropp, formerly teller at the Farmers State Bank, Hazelton, is stationed at Camp Lewis, Washington.

George W. Janda, formerly with the First National Bank of Mandan, is now Lieutenant Const. Co. No. 12, Aviation Field No. 2, Garden City, Long Island, New York.

O. E. Hanson, formerly Cashier of the First National Bank, Lansford, is now in the navy, being stationed with the Second Company, Seventh Regiment, Naval Training Station, Newport, R. I.

Carl E. Wedwick, formerly assistant cashier of the Citizens State Bank of Antler, is now in Co. 10, Casual Detachment, 138th Inf., American Expeditionary Forces, France.

Peter F. Gores, formerly assistant cashier of the First National Bank of New England, is now with Co. L, 157th Inf., Camp Kearney, California.

D. J. Mason, formerly bookkeeper at the Citizens National Bank of Jamestown, is now stationed at Camp Dodge, Iowa, 163 Art Bldg., Headquarters Det. Raymond H. Bensch, formerly in the employ of the same institution, is also at Camp Dodge.

Wm F. Huck, cashier of the First National Bank of Reynolds, has enlisted in the Quartermaster's Corps. Present address, Camp Meigs, Washington, D. C.

Arthur Bachland, formerly assistant cashier of the First National Bank, Walhalla, is now with the 163rd Depot Brigade, Camp Dodge, Iowa.

M. W. Fitzsimonds has been appointed assistant cashier of the First National Bank, Walhalla, to take the place of Arthur Bachland, now in military service.

H. W. Doty, formerly with the First Guaranty Bank, Bismarck, is now with Co. 15, Quartermaster's Corps, Camp Meigs, Washington, D. C.

A. P. Braun, formerly with the Peoples State Bank Wahpeton, is now a Lieutenant General, Quartermaster's Depot, Jeffersonville, Ind.

Richard R. Maresh, formerly with the Peoples State Bank, Wahpeton, is now a sergeant, Headquarters Bank, Third Battalion, 352nd Inf., Camp Dodge, Iowa.



BANK NOTES

Ruth J. Slunaker was appointed teller of the Tioga State Bank.

L. E. Arndt was appointed teller of the State Bank of Kramer.

Ella Greene is new assistant cashier with the Stock Growers Bank of Napoleon.

A. C. Howard is new assistant cashier with the First State Bank of Judson.

Sara McNiven has been appointed assistant cashier of the Clyde State Bank.

J. R. Wigeby has been appointed assistant cashier of the State Bank of Maxbass.

C. A. Wilkinson has been appointed assistant cashier of the Elgin State Bank.

Gerda Mabel Mortenson has been appointed bookkeeper and stenographer with the Farmers Bank of Hampden.

Frank Rhoda has resigned as director of the Heitinger State Bank and E. F. Hall was appointed to fill the vacancy.

Clemens J. Schwaller, formerly bookkeeper of the Farmers Bank of Golden Valley, is now assistant cashier of that institution.

Ray Thurston succeeds Lawrence Hage as bookkeeper and teller of the Commercial State Bank of Carrington, Mr. Hage having resigned to go into the Service.

The application of the German American State Bank of Linton for change of corporate name to the Farmers State Bank of Linton was approved by the Banking Board.

Wilfred M. Mallon has been appointed bookkeeper and cashier of the Security State Bank of Strasburg, M. J. Baumgartner having resigned as vice president of this institution.

A. B. Mickelson, formerly assistant cashier of the First National Bank, Finley, is now at Camp Dodge, Iowa, a private in the First Battalion, Co. 2, 163rd Depot Brigade.

The Banking Board approved of the application of the German American State Bank of Burlington for change of corporate name to the American State Bank of Burlington.

Frank E. Percy, assistant cashier of the Farmers Bank of Munich, has enlisted in the United States Service and H. A. Thompson has been elected assistant cashier to fill the vacancy.

John L. Caldwell, formerly president of the Columbia State Bank, Lodi, Wisconsin, and A. W. Powell, cashier of the State Bank of Bowman, have purchased control of the First National Bank of White Rock, South Dakota, and will take over management of the bank August 1st.

E. R. Rathman is now teller of the Eldridge State Bank.

Arthur Stroback has been appointed clerk in the Flora State Bank.

Anthony A. Zak has been appointed clerk in the First State Bank of Barton.

Geo. H. Marclay has resigned as assistant cashier in the Bank of Pleasant Lake.

F. V. Johnson has resigned as assistant cashier of the First State Bank of Velva.

D. W. Price was appointed bookkeeper of the Merchants State Bank of Fingal.

Fred Fish has been appointed assistant cashier of the Farmers State Bank of Lawton.

Charles O. Kullestad is new assistant cashier with the Security State Bank of Deering.

Theresa M. Chausee has resigned as teller and bookkeeper from the Farmers State Bank of Halliday.

Lee R. McFarlin succeeds John A. Nygren as assistant cashier of the Farmers State Bank of Charbonneau.

Clarence H. Peischel has been appointed bookkeeper and stenographer with the Farmers State Bank, Watford City.

Hilmar Carlson, formerly cashier of the Karnak State Bank is now in the military service and is at present stationed at Camp Dodge.

The application of the German State Bank of Wing for change of corporate name to the Burleigh County State Bank, was approved by the Banking Board.

E. O. Ellison has been elected assistant cashier of the First National Bank, Finley, to fill the vacancy caused by the resignation of A. B. Mickelson, now in military service.

Lambers Buslee succeeds Harry Woodard as assistant cashier of the Security State Bank of Kensal. Mr. Woodard has been appointed assistant cashier of the First State Bank of Velva.

Frederick W. Thayer has resigned as cashier of the State Bank of Rolla and is succeeded by Ralph H. Butterwick, formerly vice president of this institution. Geo. V. Lindquist, stenographer and bookkeeper is succeeded by Blanche Honett.

At the semi-annual meeting of the board of directors of the First State Bank, Glenfield, held on July 16th, Minnie W. Johnson was elected assistant cashier to fill the vacancy caused by the resignation of P. H. Heaney, who has entered military service.

H. E. Wirch, who for six and a half years so efficiently filled the position of assistant cashier of the Bank of Scranton, at Scranton, N. D., has accepted the cashiership of the State Bank of Bowman, and was duly elected to fill that position, at their semi-annual directors meeting.

PROTECTIVE DEPARTMENT

We are notified of the operations of a party giving the name of W. H. Roberts, who has recently worked bogus checks in Iowa, and is believed to be headed this way. His method is to open an account, depositing a number of checks and drafts all of which so far have turned out to be forgeries. A small amount of currency is usually deposited with the drafts. He usually stays about town several days before starting his bogus drafts and during the time of his stay he talks of purchasing property and in this way enlarges the circle of his acquaintances very rapidly. He is described as follows:

About 60 years old, reddish complexion, very small red spot on left cheek. Well built, weighing about 165 or 175 lbs, grayish hair and wears glasses.

Members are requested to wire the Association office at our expense if this party appears.

We are notified of a fraudulent check drawn on a Kansas bank by a party giving the name of P. B. Curwood, who is described as follows:

Smooth shaved, dark eyes, medium height. Sometimes wears glasses but not always. When last seen was wearing light colored coat, white and black. Coat does not match balance of suit. Soft light hat. Reddish brown hair.

The above party is accompanied by a woman taller than he. The woman is described as follows:

Light complexion, dressed in blue suit with turban hat with feather.

If these parties should appear, members are requested to wire the Association office at our expense

WANTED—By a National Bank member of our Association, a German Catholic man over drift age, for permanent and desirable position. Address L-5, North Dakota Banker, Fargo.

WANTED—Assistant cashier, past draft age. To the right party there is an opportunity to purchase stock and become cashier. Address, B. A., North Dakota Banker, Fargo.

WANTED—We have applications for young lady bookkeepers and bank assistants from several banks. Applicants for these positions should write the North Dakota Bankers' Association, Fargo, N. D., and they will be placed in communication with the parties desiring help promptly.

Preliminary examination of the Farmers State Bank of Hebron was made July 5th, by Chief Deputy E. A. Thorberg.

J. C. Cooke, for some time assistant cashier of the Bank of Monango, has resigned his position with this bank and accepted an official position with the Merchants National Bank, Billings, Mont.

Applications for charters have been made by the Beach National Bank, Beach, N. D., capital \$50,000, which is a conversion of the Beach State Bank; and by the First National Bank, Alexander, N. D., which is a conversion of the Alexander State Bank.

Charter was issued June 25, 1918, by the Secretary of State for the following: The Equity State Bank of Golden Valley, Mercer County, with capital of \$15,000. Shareholders and directors: Theo. P. Ewald, Eugene Herzog and Frank Kuehn, all of Hebron, N. D.

FOR SALE.

Complete Anderson Loose Leaf Individual Ledger and Transfer together with 1,500 sheets. For sale cheap. Address, C. S. D., care North Dakota Banker, Fargo, N. D.

WANTED.

Assistant cashier and bookkeeper wanted by a bank in town of 300 population. Good pay. Applicant must be able to speak German. Address, H-M, Care North Dakota Banker, Fargo.

WANTED.

Teller and bookkeeper wanted by bank in town of 1,000 population. Good position to right man. Address, N-12, care North Dakota Banker, Fargo.

WANTED—Cashier for going bank in Western North Dakota. Scandinavian married man preferred. Salary \$125.00 per month with chance for advancement. Address F-3, care North Dakota Banker.

WANTED—Assistant Cashier, at once. Norwegian preferred—one who has had some experience. Give references and state salary wanted when writing. Address, N-77, care The North Dakota Banker, Fargo.

TIME LOCKS

For care and cleaning Bank Time Locks
and Automatics, address

WILLIAM J. HEY

TIME LOCK EXPERT FOR

NORTH DAKOTA BANKERS ASSOCIATION

FARGO, NORTH DAKOTA

LEGAL DEPARTMENT

(BY HON. EDWARD ENGERUD)

THIS PAGE WILL CONTAIN OPINIONS ON BANKING AND COMMERCIAL LAW, ANSWERED BY THE ASSOCIATION'S ATTORNEY, AND REFERENCES TO DECISIONS OR QUESTIONS OF BANKING LAW OF INTEREST TO THE BANKING FRATERNITY. MEMBERS HAVE THE PRIVILEGE OF ASKING FOR OPINIONS ON BANKING MATTERS IN WHICH THEY ARE INTERESTED.

No. 1079

Doing Business in Another State as a "Foreign Corporation."

The purchasing of farm mortgages upon Montana lands in the manner stated in your letter would not be doing business in Montana within the meaning of the laws relating to foreign corporations.

In the event that it should become necessary for you to foreclose any Montana mortgages it would be necessary for you to file a certified copy of your Articles of Incorporation in the County Clerk's office of the county where the property is situated because the Montana Code provides that no corporation will be permitted to maintain or defend any action or proceedings in relation to its property in Montana until it has filed its articles. See Section 3823 Revised Codes of Montana 1907. Your failure to so file the Articles would not affect your ownership of the property acquired by foreclosure or otherwise in Montana, but you would not be able to maintain or defend actions there without complying with this provision. The provisions of the Montana laws relating to foreign corporations doing business in that state would not have any application to transactions such as taking mortgages in the way you mention, because such transactions would not be doing business in that state. I presume, however, that if you had occasion to foreclose and acquire property in Montana and wished to proceed with the handling of that property you would probably have to comply with the foreign corporation act. You could avoid this, however, by having your foreclosures made in the name of some officer of your company as a trustee for the corporation.

No. 1080

Form of Chattel Mortgage Covering "Any and All Additional Indebtedness which the Mortgagor May Contract, Etc."

In 1915 you purchased a note secured by chattel mortgage, taking an assignment of the same. Since then you have loaned the mortgagor various sums of money from time to time, taking new notes and mortgages and claiming to hold the first note and mortgage above mentioned as collateral security for the entire debt. I take it that the mortgagor has made payments from time to time, but never has paid up in full so that he now owes you about \$1,500.00 in the aggregate.

The first chattel mortgage above mentioned contains a clause to the effect that the mortgage shall be construed as covering and securing any and all additional indebtedness which the mortgagor may contract to the mortgagee during the life of the mortgage.

I doubt very much if that clause would cut any

figure between you and the mortgagor in the circumstances. I hardly think that clause contemplates that the chattel mortgage shall secure any debt which the mortgagor may owe to any person who may happen to buy the mortgage.

I presume, however, from your statement that you hold renewal notes which include this original debt and subsequent debts. If that is so, you could treat the payments as payments of the other debts unless the debtor has specifically applied them, so as to leave the debt secured by the old mortgage still unpaid. The old mortgage would remain as security for any renewal note taken for the old debt even though other debts were included in it. In other words, the old mortgage would stand as security for so much of the renewal note as was for the old debt secured by the chattel mortgage.

I would think, therefore, that your best course is to file your renewal treating the old chattel mortgage as security for the whole debt.

It won't hurt to make that claim anyhow, and the mortgagor or anyone else may not dispute it. If they do dispute it you can then fight it out or quit, as you think best. In other words, cross the bridge when you get to it.

No. 1081.

Liability of Bank to Other Creditors in Releasing Part of Security.

Where a bank holds security on several pieces of property, real or personal, and there is a subsequent lien on some of the property in favor of a third person, and the bank has actual knowledge of such subsequent lien the bank cannot release any of its security upon which the subsequent lienor has no lien. If under such circumstances the bank releases any part of its security upon which the subsequent lienor has no lien, the bank will be liable to the second lienor for the value of the security released.

The reason for this is that under the law relating to marshalling of securities, the subsequent lienor has the right to insist that the first lien shall be satisfied so far as possible out of the property on which the subsequent lienor has no claim, so as to leave as much as possible of the property on which both creditors have liens for the satisfaction of the

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subsequent lien. If the first lienor with knowledge of the facts willfully disregards the subsequent lienor's equities he is liable for the consequences.

In the Book of Opinions published by the Bankers' Association you will find the following opinions dealing with this subject:

No. 213, page 178; No. 431, page 281; No. 501, page 314; No. 779, page 438.

You will find a decision of the United States Supreme Court on this subject in Bank vs. Tufts, 14 N. D. 238.

* * *

No. 1082.

When Protest Not Necessary.

You received for collection a trade acceptance drawn by an out of town concern upon one of your customers and accepted by him payable in twenty-five days at your bank. It was sent to you for collection by a bank in the city where the drawer is located. It is not, however, endorsed by the drawer, but bears the endorsement of the bank which sent it to you for collection.

You wish to know if you should protest the item in case it is dishonored at maturity.

I do not think protest is necessary. The object of protest is to hold the endorser or endorsers of the instrument. In this case there are no endorsers to hold. The only endorser is the bank which sent it to you for collection, whose agent you are. There is no endorser prior to that bank and it is only in such a case that protest is necessary. The chances are that the drawer of the acceptance placed it with his local bank for collection only and is still the holder of the claim.

If the endorser had endorsed the draft prior to the bank's endorsement, then, unless you were instructed to the contrary, it would be your duty to protest in case of dishonor; because it would be apparently necessary in order to give the bank as last endorser a right of recourse against the prior endorser.

* * *

No. 1083.

Liability of Bank Where Error In Issuing Certificate of Deposit Is Made.

You issued a certificate of deposit a while ago, and by error issued it for \$100 too much. The payee who received it has disappeared. You wish to know if you can stop payment on the certificate of deposit.

The certificate of deposit being payable by yourself at your bank there is no occasion to stop payment. When the certificate of deposit is presented it will then be up to you to decide whether to pay it in full or not.

If it is in negotiable form, which it probably is, and has been transferred by endorsement to a bona-fide holder for value, you will have to pay it in full notwithstanding the error.

Of course, if the original payee or a person who is not a bona fide endorsee should present it for payment then you would not have to pay more than the actual amount for which it ought to have been written.

I know of no way to fully protect yourself against the negotiation of the certificate of deposit if it is negotiable. You could, of course, advertise it, but unless you could show that the endorsee had seen the advertisement before he took the certificate of deposit and paid for it the advertising would do you no good.

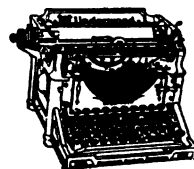
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GRAND PRIZE Highest Possible Award

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No 1084.

Right of City to Issue Warrants.

Your city has issued warrants in the aggregate of \$1,000 in payment for construction of a well. There has been no election on the subject; but the City Council by resolution provided for the well and the issuance of warrants to pay therefor.

You ask my opinion as to the legality of the warrants.

The City Council has the authority to provide a water supply by means of a well and issue warrants therefor without a vote of the electors on the subject.

If the object of the well was to provide fire protection to the city, the Council could contract for it and provide for deferred annual payments without having made provision for the expenditure in the annual appropriation ordinance. (See Comp. Laws, Sec. 3679.)

If the well was not for fire protection the Council could not incur the indebtedness unless it had provided for it in the preceding annual appropriation ordinance, the same as other annual expenses for which taxes are levied. (See Comp. Laws, Sec. 3677-3678.)

I cannot find any special limitation on the rate of interest which a city may contract to pay; so it is apparently within the power of the city to pay up to 9 per cent.

The warrants are, therefore, apparently valid if the proceedings are regular in form and the warrants do not exceed the debt limit.

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NORTH DAKOTA

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TELLING POINTS

Northwestern National Life led all companies in production in the Northwestern states in 1917 (Minnesota, North Dakota, South Dakota, Montana and Wyoming). Among all mutual or profit-sharing companies (which write 87 per cent. of business in the United States) it has for three years ranked **FIRST** in low mortality, **FIRST** in per cent. of surplus, **FIRST** in per cent. of gain in business written.

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FARGO, NORTH DAKOTA

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MINNEAPOLIS, MINNESOTA

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